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2d Session

HOUSE OF REPRESENTATIVES

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REPORT ON THE ACTIVITIES
OF THE
COMMITTEE ON EDUCATION AND
THE WORKFORCE

DURING THE
108TH CONGRESS



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One Hundred Eighth Congress

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¹ Appointed February 11, 2003.

² Resigned February 12, 2003.

³ Appointed February 12, 2003.

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⁵ Appointed March 5, 2003.

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¹Resigned as Chairman of the Subcommittee on Select Education on September 10, 2004.

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON EDUCATION
AND THE WORKFORCE,
Washington, DC, January 3, 2005.

Hon. JEFF TRANDAHL,
Clerk of the House of Representatives,
Washington, DC.

DEAR MR. TRANDAHL: Pursuant to Rule XI, clause 1, paragraph (d) of the Rules of the U.S. House of Representatives, I am hereby transmitting the Activities Report of the Committee on Education and the Workforce for the 108th Congress. I circulated this report to all members of the Committee on December 21, 2004, and received no views before transmitting this report to the House today.

This report summarizes the activities of the Committee and its subcommittees with respect to its legislative and oversight responsibilities

Sincerely,

JOHN A. BOEHNER, *Chairman.*

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INTRODUCTION

The Committee on Education and the Workforce, under the leadership of Chairman John Boehner (R-OH), worked tirelessly with President George W. Bush during the 108th Congress to maximize security and prosperity for American families in a changing economy.

The Committee and its five subcommittees oversee education and workforce programs that affect and support hundreds of millions of Americans, from school teachers and small business operators to students and retirees. In a changing economy increasingly driven by technology, competition, and knowledge, the Education and the Workforce Committee worked during 2003 and 2004 to build on vital reforms set in motion by President Bush during the previous Congress—pressing for constant improvement in education; modernization of outdated federal rules that stifle freedom and innovation; and secure access to health care, retirement security, and training for American workers.

During the 108th Congress—working with President Bush, his administration, and other members of the House—the Education and the Workforce Committee:

- Enacted bipartisan legislation to renew and reform federal special education laws, improve education results for children with disabilities, and reduce the paperwork burden on special education teachers.
- Enacted reforms to fight childhood obesity and enhance integrity in school lunch and nutrition programs
- Protected workers' retirement savings by enacting pension reforms, including a short-term replacement for the 30-year Treasury bond interest rate used by employers to determine pension fund contributions, and passing legislation to give workers more control over their 401(k) plans and better access to quality investment advice.
- Held eight hearings on the underfunding problems ailing today's defined benefit pension system in preparation for the introduction of comprehensive legislation to reform and strengthen defined benefit pension plans for workers and employers.
- Provided school choice scholarships to low-income families in the District of Columbia through the creation of the first federally-funded private school choice program.
- Passed legislation to strengthen the nation's job training system to benefit more than 18 million American workers.
- Created new incentives for highly qualified teachers to teach in poor rural and urban (Title I) schools, by dramatically expanding federal student loan relief for qualified math, science, and special education teachers.
- Passed bipartisan legislation to expand health care access for working families through association health plans (AHPs).

- Helped the U.S. Department of Labor establish personal reemployment accounts for American workers seeking new and better jobs.
- Passed legislation through the House to strengthen academic and financial accountability in the federal Head Start early childhood program, exposing chronic abuses that are cheating children, taxpayers, teachers, and law-abiding grantees.
- Passed legislation to strengthen and extend the successful 1996 welfare reform law.
- Fought to pass legislation to reauthorize the Higher Education Act by strengthening Pell Grants, student aid, student access, and minority serving institutions; reducing loan costs, fees, and red tape for students and graduates; removing barriers for non-traditional students; permanently ending excess taxpayer subsidies for student loan providers; and empowering parents and students through “sunshine” and transparency in college costs and accreditation.
- Fought to give overtime protections to millions of American workers who are currently denied overtime pay because of outdated labor laws.
- Conducted nine oversight hearings to study the progress states and local schools are making in implementing the bipartisan No Child Left Behind education reforms proposed by President Bush and passed by the Committee in 2001.
- Passed legislation through the House to revamp international education programs to meet the realities of the post-9/11 era, and renew graduate education programs.
- Protected and clarified the employment rights of military veterans and reservists returning from active duty.
- Passed legislation through the Committee to improve accountability, results, and local control in vocational and technical education.
- Passed legislation through the House to enhance worker safety and fairness for small businesses.
- Passed legislation through the House to ensure ROTC and military recruiters have the same access to college students as other employers.
- Supported the implementation of new Labor Department regulations on union transparency, giving rank-and-file union members more detailed information about the financial activities of their unions, and passed legislation through subcommittee to further support this goal.
- Enacted legislation allowing the U.S. Secretary of Education to excuse military personnel from federal student loan obligations while on active duty.
- Fought to give busy private sector mothers and fathers the option of choosing more time off with their families, a right already enjoyed by government workers.
- Enacted legislation renewing and strengthening federal support for libraries and museums, which play a vital role in educating children.
- Used the hearing process to examine the promises and implications of genetic testing for both workers and employers.

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- Passed legislation through the House to strengthen teaching training programs and teacher colleges.
- Investigated questionable stock transactions at the union-owned life insurance company ULLICO Inc. and their potential impact on workers, calling on the U.S. Department of Labor to look into possible violations of federal labor and pension protection laws.
- Extended tax relief for school teachers, allowing school teachers to continue to deduct up to \$250 a year for out-of-pocket classroom expenses such as books and crayons.
- Enacted legislation to allow religious communities to continue their traditional way of training their children in a craft or occupation while ensuring the safety of those who are employed in wood-working occupations.
- Ensured that increases in federal education spending were accompanied by meaningful accountability for results.
- Enacted legislation to transfer authority for administering energy employees' workers' compensation benefits to the Department of Labor, ensuring that worker benefits are delivered on a timely and consistent basis.
- Enacted legislation to protect children by helping to prevent child abuse and family violence before it occurs, and improve treatment services for victims of violence, abuse, and maltreatment.
- Examined tactics used by union leaders to deny rank-and-file employees a secret ballot vote, and examined legislation to guarantee that the right to a secret-ballot election is preserved.
- Enacted legislation authorizing increased funding for the protection of runaway, homeless, missing and sexually exploited children.
- Urged the National Labor Relations Board (NLRB) to review out-of-date doctrines that threaten to limit rank-and-file workers' right to free and fair elections in the workplace.
- Enacted legislation to help states provide assistive technology such as wheelchairs, communication devices, computer hardware, and other technologies to individuals with disabilities.
- Began a comprehensive review of our nation's labor laws, to determine where the law was working as Congress intended, and where change to adjust to a 21st century workplace may be necessary.
- Examined the cost of college textbooks, and the impact those costs have on the price of higher education in America.
- Preserved current-law mental health parity benefits offered through the Employee Retirement Income Security Act for an additional year.

SUMMARY

A total of 658 bills and resolutions were referred to the Committee in the 108th Congress. A total of 36 public laws resulted on issues within the Committee's jurisdiction. The Full Committee and its five subcommittees conducted 74 days of hearings on legislation under consideration and on oversight and administration of laws within the jurisdiction of the Committee. Nine of these hearings were field hearings. The Full Committee held 21 days of hearings. Finally, the Full Committee and its subcommittees held a total of 34 days of markup sessions in the consideration of legisla-

tion with 20 of these being Full Committee markup sessions. The Committee and subcommittees ordered reported 24 bills and resolutions. The Committee issued 2 subpoenas.

Union Calendar No. 498

108TH CONGRESS } 2d Session }	HOUSE OF REPRESENTATIVES {	REPORT 108-813
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REPORT ON THE ACTIVITIES OF THE COMMITTEE ON EDUCATION AND THE WORKFORCE

JANUARY 3, 2005.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. BOEHNER, from the Committee on Education and the
Workforce, submitted the following

R E P O R T

FULL COMMITTEE

I. SUMMARY OF ACTIVITIES

A. FULL COMMITTEE ACCOMPLISHMENTS (PART 1): DEFINING THE KNOWLEDGE ECONOMY

On March 11, 2004, Chairman John Boehner (R-OH) and the members of the House Committee on Education and the Workforce conducted a unique hearing that gave added definition to the mission and agenda the Committee pursued in the 108th Congress, and is slated to continue pursuing in the 109th Congress. The Full Committee hearing, entitled “The Changing Nature of the Economy: The Critical Roles of Education and Innovation in Creating Jobs and Opportunity in a Knowledge Economy,” featured testimony from Federal Reserve Board Chairman Alan Greenspan and other top witnesses.

Boehner’s objective in conducting the March 11 “big picture” hearing was to call attention to the changing American economy and the increasingly intersecting goals of education reform and job creation.

“Knowledge, education, and innovation play a far greater role in today’s dynamic and changing economy than in previous generations, and I believe they are key factors in America’s ability to generate sustained job growth and create promising new job opportunities that provide higher wages and raise standards of living for workers,” Boehner said in his opening remarks to members at the March 11 hearing. “The individual skills, imagination, and commit-

March 11 hearing. “The individual skills, imagination, and commitment of workers are increasingly critical not just to their individual employers, but to our entire economy.”

“All of this underscores one vital growth engine—education,” Boehner continued. “With an increasingly mobile workforce, it is absolutely critical for workers to have the education and skills necessary to adapt to new opportunities and move into higher-wage jobs. And only with educational excellence at all levels, from K–12 up to retirement, will we be able to continue generating the ideas that create high-wage, high-opportunity products and industries in the future.”

Boehner noted that in 1999, a year widely regarded as having been a good one for the American economy, almost 33 million U.S. jobs were lost—while in 2002, widely regarded as a tough year for the nation’s economy, 32 million jobs were lost.

“What made 1999 a good year for workers and 2002 a challenging year wasn’t the number of jobs lost—it was the number of other jobs that were created,” Boehner noted. “In 1999 our economy created approximately 35.6 million new jobs, about 2.7 million more than were lost and 5 million jobs more than were created in 2002. The difference between the good year of 1999 and the challenging year of 2002 wasn’t the number of jobs lost—it was the number and quality of the new jobs the economy created.”

“The lesson from that is clear,” Boehner said. “We have a dynamic economy. Job loss is not a new phenomenon. And we cannot rest until every American has a good job. Any time a worker loses his or her job, there is real pain and loss.”

“Given what we know and will learn about what drives job growth and opportunity in today’s economy, what can we do to put our economy on the strongest possible footing?” Boehner asked.

Responding to Boehner’s question, Greenspan said strengthening the nation’s education and worker training systems and supporting innovation are essential to creating jobs and sustained economic growth for American families.

“[W]e need to increase our efforts to ensure that as many of our citizens as possible have the opportunity to capture the benefits” of the changing economy, Greenspan told members. “[O]ne critical element in creating that opportunity is the provision of rigorous education and ongoing training to all members of our society.”

“[E]qual opportunity requires equal access to knowledge,” Greenspan said, warning at one point about studies that show that the U.S. appears to be lagging seriously behind other nations in terms of the quality of education being provided to students at the K–12 level.

“The hypothesis that we should be able to improve upon the knowledge that our students acquire as they move from kindergarten to twelfth grade gains some support from international comparisons,” Greenspan said. “A study conducted in 1995 [The Third International Math and Science Study, a project of the International Study Center, Lynch School of Education, Boston College] revealed that, although our fourth-grade students were above average in both math and science, by the time they reached their last year of high school they had fallen well below the international average. Accordingly, we apparently have quite a distance to go before we catch up.”

Greenspan appeared to reject suggestions by some Committee members that the quality of America's education system is directly linked to how much government spends on schools, warning against "over-committing" to certain levels of expenditure.

"Putting money in is not necessarily an accurate measure of the output. We are falling behind by any measure in our secondary schools," Greenspan said, warning it's not enough to simply raise standards and meet them once. "We have to increase the skills every year or we will fall behind."

Greenspan also emphasized the role of higher education and worker retraining in his testimony.

"I think anything we can do that either moves the skill levels from 4th grade to high school at a more effective pace—or find other ways to augment our learning abilities, whether through community colleges [or other institutions]—is crucial to our long term development and the stability of our society," Greenspan said.

Asked by Rep. Howard P. "Buck" McKeon (R-CA) whether greater transparency in college costs could empower parents and students to better exercise their power as consumers in the higher education marketplace, Greenspan appeared intrigued.

"I'm inclined to find your argument somewhat persuasive," Greenspan told McKeon.

Boehner welcomed Greenspan's testimony, saying his comments underscored the importance of the bipartisan No Child Left Behind education reforms crafted by President Bush and the Committee in 2001, as well as legislation passed by the House in 2003 to reauthorize the Workforce Investment Act and adult education programs, the upcoming reauthorization of the federal Higher Education Act, and other Committee priorities.

The "knowledge economy" hearing provided members with valuable testimony about the importance of the reforms being undertaken by the Education and the Workforce Committee on matters ranging from early childhood education to the pension benefits of workers and retirees. It provided further confirmation that the Committee's ongoing focus—promoting security and prosperity for American families in a changing economy—is the correct one for the nation's future.

B. FULL COMMITTEE ACCOMPLISHMENTS (PART 2): EDUCATION POLICY

Members of the House Education and the Workforce Committee in the 108th Congress built on the landmark education reforms of President Bush's No Child Left Behind Act—enacted in 2002 with bipartisan support under the leadership of Education and the Workforce Committee Chairman John Boehner (R-OH)—by continuing the focus on ensuring all children receive a quality education, all parents have strong choices and options in selecting schools for their children, and all teachers are highly qualified. President Bush and members of the Education and the Workforce Committee worked successfully on multiple education reform initiatives: strengthening special education, enhancing school lunch and child nutrition programs, building on efforts to expand parental choice in education, and expanding college access for low- and middle-income students and families.

HIGHLIGHTS: Education Accomplishments, January 2003–December 2004

A summary of some of the major actions taken by President Bush and members of the House Education and the Workforce Committee during the 108th Congress to support constant improvement in education:

Improving Academic Results for Students With Disabilities

Led by members of the House Committee on Education and the Workforce, the 108th Congress successfully enacted bipartisan legislation to renew and reform federal special education laws, improve education results for children with disabilities, and reduce the paperwork burden on special education teachers.

Reauthorization of the Individuals with Disabilities Education Act (IDEA) was a top priority for the Education and the Workforce Committee in the 108th Congress. Led by Education Reform Subcommittee Chairman Mike Castle (R-DE), Committee leaders on March 19, 2003 introduced the Improving Education Results for Children with Disabilities Act (H.R. 1350), legislation hailed by one prominent school organization as “the best special education policy revisions we’ve seen in decades.” A bipartisan majority in the U.S. House approved the bill on April 30, 2003, setting the stage for a conference between the House and Senate that occurred in the closing days of the 108th Congress. President Bush signed the measure into law in December 2004, completing the second major overhaul of federal education policy to occur during his first term in office.

The successful special education overhaul of 2004 had its origins in actions taken more than two years earlier by the Committee and the Bush administration. To lay the groundwork for IDEA reauthorization, the Committee had begun collecting input from parents, teachers, school administrators, students, and the general public during 2002, using not only the traditional hearing process, but also innovative means such as the Internet. In July of 2002, the President’s Commission on Excellence in Special Education had released a final report outlining principles for special education reform. That report, with its strong emphasis on paperwork reduction, early intervention, parental choice, and academic results for students, laid the groundwork on which the final special education reauthorization bill approved in 2004 was based. The report emphasized the need to move the IDEA away from compliance with cumbersome and bureaucratic rules and restore the focus to educational results for students.

The conference report to H.R. 1350 (the Individuals with Disabilities Education Improvement Act), signed into law by President Bush on December 3, 2004, improves educational results for students with disabilities by:

- Making special education stronger for students and parents;
- Reducing unnecessary lawsuits and litigation;
- Supporting teachers and schools; and
- Reforming special education funding and building on historic funding increases.

A more detailed account of the Education and the Workforce Committee’s successful effort to reauthorize and strengthen federal special education law during the 108th Congress is included later

in this report, in the summary of actions by the Education Reform Subcommittee.

*Combating Childhood Obesity & Enhancing Integrity in
School Lunch & Nutrition Programs*

On June 30, 2004, President Bush signed the Child Nutrition and WIC Reauthorization Act (H.R. 3873) into law. The new law, authored in the House by Education Reform Subcommittee Chairman Mike Castle (R-DE), strengthens and renews federal child nutrition and school lunch programs and helps local communities work with parents to fight America's growing child obesity problem. It also improves the financial integrity of the school lunch and WIC (Women, Infants, and Children) programs and ensures the resources being invested in these programs reach the children and families they are intended to serve. The Child Nutrition and WIC Reauthorization Act's passage was widely praised by school groups and nutrition and hunger advocates, and received broad bipartisan support in both the House and the Senate. In an interview with Education Daily, Barry Sackin with the American School Food Service Association (ASFSA) said, "This is the most far-reaching child nutrition bill in a generation."

Enactment of the Child Nutrition and WIC Reauthorization Act was the culmination of a year-long effort led by Subcommittee Chairman Castle to enact strong reforms to enhance the nation's child nutrition and school lunch programs, combat hunger and food insecurity, and directly address the growing child obesity epidemic. To provide enough time to negotiate comprehensive and effective reforms, Education and the Workforce Committee Chairman John Boehner (R-OH) and Subcommittee Chairman Castle extended the nutrition programs several times to ensure no disruption in these vital services as Congress worked to complete a final reform bill that would help states and schools fight childhood obesity; improve the integrity of the school lunch program; improve access to nutrition for vulnerable children; and improve the integrity of the WIC supplemental program.

A more detailed summary of the Child Nutrition and WIC Reauthorization Act and related legislative efforts is included later in this report, in the summary of actions by the Subcommittee on Education Reform.

*Improving Access to Assistive Technology for Individuals
With Disabilities*

On October 25, 2004, President Bush signed into law the Assistive Technology Act of 2004 (H.R. 4278). The bill, authored by 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R-CA), expands access to technology for individuals with disabilities.

Millions of Americans depend on assistive technologies to help face the challenges of living with a disability. Wheelchairs, communication devices, and computer hardware are some examples of assistive technology devices that can significantly improve and help maintain a high quality of life for individuals with disabilities, allowing them to gain employment, go to school, and live independently.

McKeon's measure, passed by Congress with overwhelming bipartisan support, strengthens assistive technology programs by refocusing resources to provide more direct aid to individuals with disabilities. By directing states to spend the majority of their federal assistive technology grants on activities that directly benefit individuals with disabilities, the law helps ensure individuals will have greater access to assistive technology resources. The law encourages states to invest in programs that have proven most effective in providing assistive technology to individuals with disabilities.

A more detailed summary of the Assistive Technology Act and related legislative efforts by the Education and the Workforce Committee during the 108th Congress is included later in this report, in the summary of actions by the Subcommittee on 21st Century Competitiveness.

Expanding School Choice for Low-Income Families

The bipartisan No Child Left Behind Act, passed by the Education and the Workforce Committee in 2001 and signed into law by President Bush in 2002, included a series of important reforms guaranteeing greater control and choices for low-income parents with children in underachieving public schools. In the 108th Congress, members of the Education and the Workforce Committee worked with colleagues on and off Capitol Hill to build on the positive steps taken in No Child Left Behind toward equal educational access for all children.

Most notably, Committee members played a key role in establishing the first-ever federally-funded private school choice program, signed into law by President Bush in January 2004, to provide new choices and educational freedom for low-income parents in the District of Columbia public schools. The groundbreaking D.C. school choice initiative was established with bipartisan support from a coalition that included President George Bush, Democratic D.C. Mayor Anthony Williams, and local parents, children, and educators.

The roots of the D.C. school choice program were sown in the No Child Left Behind drafting process that took place in 2001, during the 107th Congress. Under the No Child Left Behind law, parents can choose to transfer their children to better performing public schools or charter schools if their current school is identified as underachieving for two consecutive years. Such parents are also given the right to obtain free private tutoring for their children if their children's schools continue to fall short of expectations. President Bush's original No Child Left Behind plan, however, called for such parents to be given the option of transferring their children to any better performing school—public or private. The private school choice provision was voted out of No Child Left Behind in 2001 over the objections of Education and the Workforce Committee Chairman John Boehner (R-OH) and other school choice supporters as the President's No Child Left Behind plan moved through the legislative process. Boehner and other pro-school choice Committee members vowed to continue the drive for greater parental choice, despite the disappointing vote.

In his FY 2004 budget request, President Bush called on Congress to create a new, voluntary school choice program for dis-

advantaged students and families. Congress had passed such a program in 1998, for students in the District of Columbia public school system, with bipartisan support, but the measure had been vetoed by President Bill Clinton. President Bush's budget proposal revived the push for a D.C. school choice initiative and became the catalyst for what would later become the D.C. School Choice Incentive Program.

On June 23, 2003, one year after the historic *Zelman v. Simmons-Harris* decision by the U.S. Supreme Court upholding the constitutionality of publicly-funded private school choice, Chairman Boehner joined House Government Reform Committee Chairman Tom Davis (R-VA) to introduce the D.C. Parental Choice Incentive Act, H.R. 2556.

The next day, on June 24, Boehner testified before the Government Reform Committee on the need to move forward with the legislation to open the doors of educational opportunity for students and families in the nation's capital. Boehner joined U.S. Secretary of Education Rod Paige and D.C. Mayor Anthony Williams to testify at the hearing in support of the D.C. Parental Choice Incentive Act and its promise of greater educational freedom for disadvantaged students and families.

That bill later took the form of an amendment to the FY 2004 District of Columbia appropriations measure offered by Reps. Boehner, Davis, and Rodney Frelinghuysen (R-NJ), chairman of the D.C. Appropriations Subcommittee. That spending measure, including the D.C. School Choice Incentive Program, was approved in its final form by the full U.S. House on December 8, 2003; it was later approved by the U.S. Senate on January 22, 2004 and signed into law by President Bush on January 23, 2004.

The D.C. School Choice Incentive Program got off to a strong start in its first year, the 2004–2005 academic year, despite an abbreviated timeframe to get the program off the ground. The Washington Scholarship Fund (WSF) was selected in March of 2004 to run the program, and by mid-May, more than 2,000 students had applied for scholarships. In September of 2004, WSF announced that more than 1,000 students had been placed in 53 private elementary and secondary schools in Washington, D.C. For FY 2005, Congress again authorized the program, with more students expected to enroll in the 2005–2006 school year.

The D.C. School Choice Incentive Program is targeted to those students and families most in need of assistance. Scholarships are available to children from households whose income is at or below 185 percent of the poverty line. Priority is given to students in schools identified as needing improvement under the No Child Left Behind Act.

Under the D.C. school choice program, low-income students and families have access to up to \$7,500 annually to attend safer, stronger schools. If selected for the program, a student receives up to \$7,500 to cover his or her tuition, fees, and any transportation expenses to attend a private elementary or high school in the District of Columbia.

The scholarship value of up to \$7,500 gives students and their families numerous educational options. According to a survey from the Cato Institute released in 2004, the “median per student cost for private elementary schools in the District of Columbia is \$4,500

* * * [and] only 39 percent of D.C. private schools have tuitions of \$10,000 or more.”

In addition, the National Center for Policy Analysis determined during the 108th Congress that “the tuition at 88 private schools is less than \$4,000, and at 60 of those it is less than \$3,200,” illustrating the potential purchasing power of the opportunity scholarships. WSF found in 2004–2005 that even in cases where the \$7,500 scholarship was not enough to cover the tuition, in most cases the private schools made up the difference and the students were able to attend the private school of their choice.

The D.C. School Choice Incentive Program is funded entirely from new money, meaning no resources are drained from the D.C. public school system, supporters noted. In fact, additional money is being provided to D.C. public and charter schools as a result of the program, they pointed out. Of the \$40 million in funding directed to the D.C. School Choice Incentive Program:

- \$13 million is provided for the D.C. school choice scholarship program, along with an additional \$1 million for administrative expenses.
- \$13 million is provided directly to the D.C. public schools for teacher training, teacher recruitment, and improving student achievement through supplemental educational services and public school choice. (This is in addition to large increases the D.C. public schools have already been guaranteed under appropriations for the No Child Left Behind Act, Individuals with Disabilities Education Act, and other federal programs.)
- \$13 million is provided for charter schools in the District of Columbia to support existing charter schools and create five new charter schools.

Other highlights of the bipartisan legislation:

- The law makes clear that participating schools cannot discriminate against students. Participating schools are prohibited from taking students’ religion into account in admissions decisions. A participating school may not discriminate against participating students or student applicants on the basis of race, color, national origin, religion, or sex. Schools must accept participating students on a first-come, first-served basis. Religious schools can continue to take religion into account in hiring decisions, as in many other programs that allow faith-based organizations to use federal funds to help individuals.
- Accountability is required to ensure results for students. The U.S. Secretary of Education and the Mayor of the District of Columbia jointly select an independent entity to evaluate the program and monitor its effectiveness. As with the Cleveland (OH) Scholarship Program, the independent evaluator is required to test participating and non-participating students annually to ensure accountability.

Chairman Boehner in the 108th Congress also worked with Rep. Trent Franks (R-AZ) on the Children’s Hope Act (H.R. 2347), a bill that proposed expanding parental choice in education through a scholarship tax credit. Although the legislation was not ultimately enacted in the 108th Congress, Boehner was an original cosponsor.

Under the Children’s Hope Act, if a state enacted a scholarship tax credit of \$250 or more, the residents of that state would have been eligible to take part in a federal scholarship tax credit. The

federal tax credit of \$100 (\$200 for joint returns) would have been designated for contributions made to organizations that ensure at least half of all scholarships are awarded to low-income children. For the nine states that do not have an income tax, residents could have taken a dollar for dollar credit against their property taxes.

Strengthening Teacher Training & Teacher Colleges

Members of the Education and the Workforce Committee conducted a series of efforts during the 108th Congress to build on the No Child Left Behind education reforms by taking steps to help states and school districts meet the law's call for placing a highly-qualified teacher in every public classroom by the middle of the decade.

In June 2002, the Secretary of Education issued the first full annual report on teacher preparation as required under Title II of the Higher Education Act (HEA). The report—Meeting the Highly Qualified Teachers Challenge: The Secretary's Annual Report on Teacher Quality—concluded that the teacher preparation system in the United States has serious limitations. Not only does acceptable achievement on certification assessments differ markedly among the states, the Secretary's report found, but most states, in setting the minimum score considered to be a passing score, set those scores well below national averages. The data collected for this report suggested schools of education and formal teacher training programs are failing to produce the types of highly qualified teachers the No Child Left Behind Act demands, Committee members noted.

The No Child Left Behind Act calls for a highly qualified teacher in every classroom by the 2005–2006 school year, lending new urgency to the stated bipartisan goal of ensuring teacher training programs are effectively training highly qualified teachers that will meet the needs of America's school children.

To address this lack of accountability in the nation's teacher colleges, Education and the Workforce Committee members, led by Rep. Phil Gingrey (R-GA), introduced the Ready to Teach Act (H.R. 2211). The bill, introduced on May 22, 2003, proposed aligning teacher training programs with the high standards for accountability and results found in the No Child Left Behind Act.

The Ready to Teach Act called for aligning teacher training programs under the federal Higher Education Act (HEA) with the definitions and provisions for highly qualified teachers in the No Child Left Behind Act, coordinating activities under the two Acts and bringing the accountability found in NCLB into teacher training programs. Supporters argued the reforms included in the legislation would infuse new quality and accountability measures into the grants administered for teacher training programs, and provide innovative approaches such as charter colleges of education that would improve the teaching workforce so critical to the success of K–12 education reform.

The Ready to Teach Act was approved with overwhelming bipartisan support in the House on July 9, 2003. While the bill was not acted upon by the Senate, similar legislation is expected to be introduced by Education and the Workforce Committee members early in the 109th Congress.

A more detailed summary of the Ready to Teach Act and related legislative efforts is included later in this report, in the summary of actions by the Subcommittee on 21st Century Competitiveness.

Revamping International Education & Renewing Graduate Education Programs

Led by members of the Education and the Workforce Committee, the House of Representatives passed two separate bills during the 108th Congress to revamp international higher education programs to meet the realities of the post-9/11 era and enhance graduate education in the United States. The bills were passed by the House as a result of the Committee's comprehensive effort to reauthorize the Higher Education Act (HEA).

On October 21, 2003, the House gave bipartisan approval to H.R. 3077, the International Studies in Higher Education Act. The bill, authored by Select Education Subcommittee Chairman Pete Hoekstra (R-MI), sought to build on the international and foreign language studies programs authorized in Title VI of the Higher Education Act. H.R. 3077 attempted to update federally-funded international and foreign language studies programs at colleges and universities across America, which took on increased relevance and importance after the September 11, 2001 terrorist attacks on the United States.

H.R. 3077 called for the reauthorization of programs that provide for the study of international issues and foreign languages at colleges and universities across America. Hoekstra's legislation sought to make numerous improvements to enhance international learning opportunities for students, including support for linking these programs with overseas institutions of higher education that promote research and training abroad for Americans.

The House also gave bipartisan approval on October 21, 2003 to the Graduate Opportunities in Higher Education Act (H.R. 3076). That bill, also authored by Subcommittee Chairman Hoekstra, proposed reauthorizing graduate assistance programs under Title VII of the Higher Education Act. The bill sought to increase flexibility and place a priority on the study of subject areas with demonstrated teacher shortages at the K-12 education level, including math, science, special education, and the education of students with limited English proficiency.

By targeting federally-funded graduate fellowships to these subject areas facing teacher shortages in America's elementary and secondary schools, supporters said, the Graduate Opportunities in Higher Education Act would help to fortify the pipeline of highly qualified teachers. The bill received widespread support from educators at all levels of education, with experts noting that an important key to placing highly qualified teachers in every public school classroom is having adequate faculty available to train the teachers of tomorrow.

More detailed summaries of the International Studies in Higher Education Act and the Graduate Opportunities in Higher Education Act and related legislative efforts are included later in this report, in the summary of actions by the Subcommittee on 21st Century Competitiveness.

*Improving Academic & Financial Accountability in Early
Childhood Programs*

In 2002, following completion of the No Child Left Behind Act, President Bush called on Congress to pass legislation to strengthen results in early childhood education, including the federal Head Start early childhood program. Members of the Education and the Workforce Committee embraced the President's call for early childhood education reform, which became one of the Committee's leading priorities for the 108th Congress. However, the attempted Head Start reauthorization in 2003 became the focal point of an intense debate between lawmakers concerned about protecting the rights of children, parents, teachers, and taxpayers, and entrenched lobbying groups devoted to preserving the status quo at any expense. Lobbyists characterized their positions as an effort to "save Head Start," but by the conclusion of the 108th Congress, many legislators had concluded the real threat to the program's future success was the lobbying community itself.

Numerous reports of financial and administrative mismanagement by Head Start grantees were documented in the American press during 2003 and 2004. While some characterized the abuses individually as "isolated incidents," serious potential abuses were documented by the media in more than a dozen cities nationwide in 2003. In one of the worst incidents, a Head Start executive in Kansas City, Missouri—who testified before the Subcommittee on Education Reform in opposition to efforts by President Bush to increase accountability in the Head Start program—was later revealed by the *Kansas City Star* to have been earning a salary in excess of \$300,000 annually and driving a luxury sport-utility vehicle leased, in part, with federal Head Start funds meant for disadvantaged children.

Committee Republicans expressed profound disappointment during the 108th Congress concerning the reluctance of lobbying organizations such as the National Head Start Association (NHSA) and the Children's Defense Fund to condemn the abuses brought to light in Kansas City and other cities. In one prominent case, a top NHSA official even was reported to be at the heart of one of the situations under scrutiny by the media and independent federal auditors. Republicans noted annual funding for Head Start had nearly doubled since Republicans took control of the House in the mid-1990s, and expressed concern over growing evidence that a troubling share of these resources never reach the teachers and disadvantaged children they are intended to help. Parents, children, teachers, and taxpayers deserve to know the billions of dollars being invested every year in the Head Start program are being used to help prepare disadvantaged children for kindergarten, Republicans argued.

President Bush called on Congress in 2002 and 2003 to build on the bipartisan reforms of the No Child Left Behind Act by passing legislation to improve student results in early childhood education. The Bush administration noted that many of the nation's governors, Democratic and Republican alike, had for years been seeking greater ability to coordinate between the federally-administered Head Start program and successful state-run early childhood initiatives that mirror Head Start. As both the liberal Brookings Institution and the conservative Heritage Foundation noted in 2003,

greater coordination between Head Start and state programs could strengthen early childhood learning across the nation.

Committee Republicans expressed support for the administration's goal of strengthening Head Start's academic components, describing Head Start as "a great program that is capable of achieving even greater results." Republicans noted studies showing that while children in Head Start show improvement in key subjects, they still leave the program with knowledge levels far below national averages for U.S. children. According to official federal data, Republicans noted, Head Start children lag behind their more affluent peers in crucial early learning knowledge areas. As a result of this "readiness gap," Head Start children are not being adequately prepared for school in key areas of cognitive development shown to be critical for later school success. Republicans also signaled their desire to use the Head Start reauthorization to address concerns about financial accountability in the Head Start program.

On May 22, 2003, Education Reform Subcommittee Chairman Mike Castle (R-DE) introduced the School Readiness Act (H.R. 2210), a five-year Head Start reauthorization bill seeking to strengthen the academic components of Head Start while preserving the comprehensive services such as health and nutrition that the program already provides to needy children. The bill included provisions that would have improved accountability in Head Start and helped to prevent some of the reported abuse of Head Start funds at the local level. The legislation also would have placed a greater emphasis than ever on the importance of Head Start teachers, who Republicans warned are currently being hurt by a system that allows millions of dollars to be used for questionable expenditures such as leasing luxury SUVs instead of improving teacher salaries and classroom conditions. By increasing accountability, revamping some aspects of the current monitoring program, and allowing a small number of highly-qualified states a role in program administration and oversight, proponents argued, the School Readiness Act sought to help ensure Head Start funds would be used for their proper purpose—making sure disadvantaged children enter kindergarten ready to learn. The School Readiness Act proposed to keep Head Start at the U.S. Department of Health and Human Services (HHS), increasing the program's funding authorization by \$202 million and reauthorizing the program through Fiscal Year 2008.

Among the safeguards proposed in the School Readiness Act that would have helped to prevent financial abuses that hurt children, parents, teachers, and taxpayers:

- Improving oversight. Many of the problems of financial misuse facing Head Start centers have developed as a result of the disconnect between local grantees and the U.S. Department of Health and Human Services, which oversees the program. H.R. 2210 proposed allowing a small number of highly-qualified states to coordinate existing state pre-kindergarten programs with Head Start, ensuring additional accountability by allowing state involvement in fiscal decisions and oversight of local Head Start budgets. With a smaller pool of grantees to monitor than HHS, states could discover and correct financial abuse as it happens, rather than waiting until millions of dollars are misspent, backers argued.

- Tighter controls on taxpayer-funded travel. The School Readiness Act proposed permitting federal Head Start funds to be used by local grantees for meeting and/or conference travel only if similar training or technical assistance is not available locally.
- Unannounced monitoring visits. In order to get an accurate picture of the situation at each Head Start center, HHS would have been authorized to conduct unannounced monitoring visits under the School Readiness Act.
- Contracting out monitoring duties. By allowing HHS to hire outside contractors to monitor local Head Start agencies and grantees, H.R. 2210 proposed to reduce potential conflicts of interest. Outside monitors would also have helped to ameliorate HHS's manpower shortage, and allowed closer monitoring of more grantees. Contracting out these important positions would enable federal authorities to catch and correct any financial misuse earlier, supporters of the bill argued.
- Ensuring local Head Start centers are fairly evaluated on their performance. The School Readiness Act proposed to do away with outdated and arbitrary "educational performance measures" in current law that do not adequately gauge children's progress. These flawed measures would be replaced by more straightforward, scientifically-based education standards to guide a child's progress in key areas relating to school readiness, better enabling parents and teachers to know how each child is progressing, backers argued.
- Weeding out poor-performing programs. For the first time, Head Start grantees would have been required to set program goals for academic achievement and meet them before their funding is renewed. Supporters argued this would create greater fairness for successful grantees that deserve to be rewarded and recognized for their efforts.

The School Readiness Act was approved by the full Education and the Workforce Committee on June 19, 2003.

A number of developments set the stage for House passage of the School Readiness Act during the summer of 2003. Most notably, on July 7, 2003, President Bush gave his first speech on Head Start reform since the introduction of the School Readiness Act, during a tour of Highland Park Elementary School in Landover, Maryland.

House Republicans reached agreement July 24, 2003 on a Head Start amendment that paved the way for floor action on the School Readiness Act. It was decided that the consensus agreement would be offered as an amendment in the nature of a substitute to the Committee-approved version of H.R. 2210 on the House floor.

"We have listened to concerned Members, Head Start providers and parents in crafting these improvements to the bill," said Castle when the agreement was announced. "This legislation will strengthen Head Start and truly help these young children by better preparing them for their school years."

As in the earlier bill, the consensus bill would have: required no new testing; weeded out poor-performing programs; restored civil rights protections for faith-based organizations participating in Head Start, affirming they are not violating federal law when they hire on a religious basis; and emphasized academic instruction methods rooted in proven scientific-based research, Republicans noted.

On July 25, 2003, following this consensus agreement, the House of Representatives passed the School Readiness Act despite the barrage of misleading attacks thrown in its path by lobbying groups.

During the autumn of 2003, Education and the Workforce Committee Chairman John Boehner (R-OH) and Subcommittee Chairman Castle requested that the U.S. Department of Health and Human Services provide detailed information about how federal Head Start dollars were being used at the local level. The Committee leaders requested information about Head Start salaries, travel expenses and other significant expenditures made with federal Head Start funds that are intended to help teachers prepare disadvantaged children for kindergarten. HHS officials agreed to comply with the request.

The National Head Start Association in January 2004 filed a lawsuit to block the Department from complying with the congressional request. Committee leaders strongly criticized the lobbying organization for its action. The judge in the case rejected the NHSA's lawsuit just days after it was filed.

Secretary of Health and Human Services Tommy Thompson responded to the congressional request on May 13, 2004, in a letter sent to Capitol Hill. The inquiry "brought additional management issues to light" with respect to Head Start, Thompson said in the letter. Committee leaders welcomed the Secretary's cooperation with the request, while noting the information HHS provided as a result of the survey seemed to raise more questions than it answered.

The results of the HHS inquiry revealed a wide disparity in Head Start spending practices by the nation's largest Head Start grantees. While many local grantees appear to be working to ensure federal Head Start funds are spent directly on preparing disadvantaged children for kindergarten, Republicans noted, others appear to be spending unusually large percentages of their Head Start funds on meeting and conference travel, and/or billing Head Start for lavish salary and compensation packages for their top executives. HHS asked Head Start grantees to self-check and confirm the data in the report before it was transmitted to Congress.

On November 25, 2003, along with Senators Judd Gregg (R-NH) and Lamar Alexander (R-TN), Boehner and Castle requested that the independent Government Accountability Office (GAO) review current Head Start accounting practices and make recommendations, if needed, to improve the fiscal management and accountability of local grantees. GAO is expected to complete its report in early 2005, and the recommendations in the study could have a significant impact on efforts to reauthorize the Head Start program during the 109th Congress. NOTE: In the 108th Congress, the General Accounting Office changed its name to General Accountability Office and is referred to as GAO in the body of this report.

Efforts To Expand College Access for Low and Middle-Income Students

In the 108th Congress, the Education and the Workforce Committee embarked on a comprehensive overhaul of the nation's higher education system aimed at expanding college access for low and middle-income students. The Full Committee and two of its sub-

committees began an exhaustive series of hearings and used innovative web-based initiatives to seek public input on reauthorization of the Higher Education Act (HEA). A brief summary of this process follows. A more detailed account of the Committee's efforts to expand college access for low and middle-income students can be found later in this report, in the summaries of actions taken by the 21st Century Competitiveness Subcommittee and the Select Education Subcommittee.

Higher Education Reauthorization Hearings

Committee efforts to reauthorize the Higher Education Act began in earnest in the spring of 2003, beginning with a look at a fundamental theme found within most of the Committee's education reform efforts: the need for accountability. Pledging to address growing concerns among students, parents, and taxpayers about what some believe is a slow and subtle decline in quality and accountability in American higher education, members of the Committee on Education and the Workforce on May 13, 2003 launched a series of hearings to lay the groundwork for reauthorization of the Higher Education Act.

The first hearing featured testimony from independent, respected voices within the higher education community who argued more must be done to ensure America's colleges and universities are delivering results at a time when parents, students and taxpayers are investing billions annually in postsecondary education. Witnesses included Charles Miller, chairman of the University of Texas Board of Regents, who as a Texas business leader played a key role in crafting the Texas academic achievement system during the 1990s under then-Governor George W. Bush that later became the foundation of the No Child Left Behind Act; and Dr. Frank Newman, director of the Futures Project, a higher education think tank based at Brown University and funded by the Pew Charitable Trusts. Committee leaders invited Newman to testify in part because of his reputation as a noted advocate of regular assessments and increased accountability in higher education.

Dr. Newman told members that regular assessment of student progress is quite possible in higher education, just as it is in elementary and secondary education. He suggested Congress consider taking steps to ensure that the consumers of higher education—parents and students—have as much information as possible about the quality of the institutions they are paying for.

"[L]earning can be assessed in a meaningful and economical way," Newman said in submitted testimony. "Perhaps nothing the federal government can do, would be as useful as focusing on ensuring that the information necessary to allow the higher education market to serve the public is available."

Newman dismissed suggestions that a shortage of funding for higher education is the main reason colleges and universities do not regularly track student achievement, noting that state higher education spending had actually increased over the last 20 years, "even on an after-inflation and a per-student basis." Between 1993 and the present, Newman noted, the amount spent on higher education by state governments increased on average by 60.2%. The real problem, Newman said, is that the problem simply hasn't been acknowledged or addressed.

On July 22, 2003, Committee leaders took the next step by defining the challenges facing the nation's higher education system and articulating how best to address those challenges. Declaring that the nation's higher education system was in crisis as a result of uncontrolled cost increases that threaten to put college out of reach for low and middle-income students and families, Committee leaders announced a set of principles that would guide efforts to complete reauthorization of the Higher Education Act.

The principles included:

- Holding colleges accountable for cost increases without overburdensome federal intrusion;
 - Removing barriers for non-traditional students;
 - Improving quality and innovation by empowering consumers;
- and
- Realigning student aid programs to ensure fairness for America's neediest students and families.

The College Cost Crisis

To further call attention to the issue of skyrocketing college costs and their impact on college access in America, Education and the Workforce Committee Chairman John Boehner (R-OH) and 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R-CA) authored a report on the topic. Released on September 4, 2003, the report, "The College Cost Crisis," concluded that decades of hyperinflation in college costs, in both good economic times and bad, had caused America's higher education system to reach a crisis point.

Among the key findings in the report:

- America's higher education system is in crisis due to exploding college costs. Tuition increases are outpacing the rate of inflation, increases in family income, and even increases in state and federal financial aid, which have grown tremendously in recent years. These cost increases are pricing students and families out of the college market, and forcing prospective students to "trade down" in their postsecondary educational choices because options that may have been affordable years ago have now been priced out of reach.
- It's *not* just the economy, stupid. Though many recent accounts attribute the college cost crisis primarily to state budget cuts and difficult economic times, the facts show tuition increases have persisted regardless of circumstances such as the economy or state funding, and have far outpaced inflation year after year, regardless of whether the economy has been stumbling or thriving.
- In both good and bad economic times, institutions of higher education have continued to disproportionately increase prices for students and families. When times are tough, institutions increase tuition; and when times are good, institutions increase tuition as well.
- Students and parents are losing patience with higher education "sticker shock." A backlash is possible, as evidenced by student protests taking place on a number of major U.S. campuses. Public opinion shows widespread concern about the cost of a college education, as well as overall interest in finding solutions and involving the federal government in higher education affordability.

- *Americans believe traditional institutions of higher learning are not accountable enough to parents, students, and taxpayers—the consumers of higher education.*

- Americans do not believe a dramatic increase in federal funding for higher education will solve the college cost crisis.

- Americans believe wasteful spending by college and university management is the number-one reason for skyrocketing college costs.

- The amount of information available to consumers about tuition increases is inadequate, inhibiting the ability of consumers to “comparison shop” and hold institutions accountable for tuition hikes.

- While significant tuition increases are the norm, they are not unavoidable. This report found a number of instances where colleges have managed, through innovation and diligence, to hold tuition increases to a manageable level or in some cases even reduce tuition. This not only provides hope, but concrete examples that college costs do not necessarily have to increase at such a rapid pace, and it is possible to keep the dream of a college education within reach.

While “The College Cost Crisis” did not propose specific solutions, it made clear that addressing the cost problem would require hard work, innovation, and open-minded cooperation among the stakeholders in higher education.

“The college cost crisis is not likely something that can be ‘solved’ by simple changes,” the report noted. “Rather, solutions will come from increased awareness and understanding, commitment from the higher education community to not only acknowledge the problem but work toward addressing it, and broad cooperative efforts from all stakeholders in higher education to make a concerted effort to improve the affordability of higher education in America.”

“No longer can college cost increases be blindly accepted part and parcel, with little concern for the impact on American families,” the report warned. “No longer can the immense federal contribution to higher education be consumed by costs that are swallowing student and family budgets. No longer can lawmakers stand idly by while millions of students are forced to trade down their higher education aspirations, and in some cases give up on postsecondary education entirely simply because it costs too much. Solutions will not be easy, but as a nation, we cannot afford not to address the issue of affordability in higher education. The college cost crisis is real, and it must be addressed for the good of our higher education system and for the good of our nation.”

To provide a resource for higher education consumers fed up with the high cost of college and seeking to have an impact on the HEA reauthorization process, Committee leaders unveiled a College Cost Central website in September 2003. The website featured a survey for students, parents, and interested parties to provide input on issues of college cost, and how the federal government could address the escalating crisis. The website also included links to further information on the issues surrounding college costs, as well as examples of the college cost crisis in the news.

At the close of the 108th Congress, nearly 1,000 people had submitted responses to the college cost central survey. Among the most influential findings of the survey: an overwhelming majority of re-

spondents said first priority in federal higher education aid increases should be given to low and middle-income students striving for college, rather than to college graduates who have already received an education. This concept became a central theme in the comprehensive HEA reauthorization legislation introduced by Boehner, McKeon, and other Committee leaders later in the 108th Congress.

Prioritizing College Access for Current and Future Students

In fall 2003, the independent Government Accountability Office (GAO) issued a report warning that the federal consolidation loan program—a program that provides taxpayer subsidies to higher income borrowers who have already graduated—is poised to balloon in cost by billions of dollars during the remainder of the decade. GAO warned that the escalating cost of the consolidation loan program, if left unchecked, will consume an increasing share of higher education subsidies, and could threaten Congress’ ability in the future to take steps to expand college access for current and future students. GAO urged Congress to consider alternatives, including moving the consolidation loan program to the same variable interest rate structure in place for other federal student loans.

On March 17, 2004, the Education and the Workforce Committee held a hearing to examine the GAO recommendations. Witnesses before the Committee testified on the cost of federal consolidation loans, with some warning increased federal entitlement subsidies to college graduates—an idea proposed by some of the leaders of the Democratic Party—would divert federal funding away from other education programs and reduce Congress’ ability to expand access to higher education for low and middle-income students.

“Our first priority is expanding access to higher education for low and middle income students,” said Chairman Boehner in his opening statement at the hearing. “The federal consolidation loan program is different than other student aid programs, because it doesn’t provide subsidies to people who are currently students. Rather, it provides billions in subsidies to people who are former students—graduates who have realized their dream of a college education and entered the workforce. Should we expand those subsidies at the expense of low and middle-income students who may not be able to attend college? I don’t think so.”

During the March 17 hearing, respected economist and education consultant Robert Shapiro—a former Clinton administration official who had since joined the Brookings Institution—urged Congress to consider switching to variable rate consolidation loans as a means of ensuring that money would continue to be available for future efforts to expand college access for incoming students. Shapiro told Committee members he expects the cost of the consolidation loan program to grow by \$21 billion over the next seven years—billions that could instead be used for programs that benefit low and middle-income students aspiring for college.

GAO’s recommendations had a profound impact on the HEA reauthorization process. The question of whether federal higher education resources should be directed to current and future students or to college graduates through an expansion of the consolidation loan program remained a central focus of the Committee for the remainder of the 108th Congress. While the Committee’s Democratic

leadership opposed GAO's recommendations to switch to variable rates, more than half of the Committee's Democratic members either introduced or co-sponsored legislation during the 108th Congress that would have gone to variable rates on all new consolidation loans.

In 2003, members of the Education and the Workforce Committee introduced—and the House approved—four separate bills to reauthorize various portions of the Higher Education Act. Those bills, discussed at length in other sections of this report, proposed to expand student loan forgiveness for teachers of key subjects in high-poverty K–12 schools; strengthen teacher training programs through increased accountability; revamp international higher education programs to meet the realities of the post-9/11 era; and enhance graduate education to better meet the needs of America's educational system at all levels.

The College Access & Opportunity Act

On May 5, 2004, Chairmen Boehner and McKeon introduced the final piece of comprehensive Higher Education Act reauthorization legislation, the College Access and Opportunity Act (H.R. 4283). The bill sought to expand access to higher education for millions of low and middle-income students, and proposed reauthorizing the remaining portions of the HEA, including Title IV, which governs student aid.

The College Access and Opportunity Act called for expanding access to higher education for low and middle-income students by:

- Strengthening Pell Grants, student aid, student access, and minority serving institutions.
- Reducing loan costs, fees, and red tape for students and graduates.
- Removing barriers for non-traditional students.
- Empowering consumers through “sunshine” and transparency in college costs and accreditation.

Upon introduction of the bill, Boehner and McKeon noted surveys showing an overwhelming majority of Americans believe future increases in federal higher education aid should go to expanding help for current and future college students, rather than to continued subsidies to graduates in the workforce, such as borrowers repaying their loans.

The College Access and Opportunity Act also would have addressed growing concerns that excessive lender earnings, fueled in part by provisions in the Higher Education Act promoted by the Clinton administration, had been diverting money away from the students who are priority number one in the federal student aid programs. The bill proposed reforming these provisions and requiring lenders to return excess income to the federal government, freeing up resources that could be used to expand access to current and future students.

The bill included numerous student-focused reforms such as steps to strengthen Pell Grants and student aid programs while reducing red tape and eliminating outdated barriers to college access. It proposed steps to strengthen Minority Serving Institutions and ensure all eligible colleges and universities are able to compete on a level playing field for funds that would allow them to better serve their students.

The College Access and Opportunity Act proposed expanding access for current and future students by increasing loan limits, reducing the fees students pay on their loans, repealing anti-consumer restrictions for borrowers seeking to consolidate their loans, and ensuring all federal student loans are provided under the successful variable rate structure that resulted in the lowest interest rates in the history of the federal student loan programs during President Bush's first term.

On May 12, 2004, the Committee held a hearing on the College Access and Opportunity Act, with witnesses from various areas of the higher education spectrum testifying in particular on the important steps included in the bill to restore the Higher Education Act to its original mission of expanding college access for current and future students.

The Committee also held a hearing focusing on the proprietary sector within America's higher education system, questioning whether current law treats such institutions and their students fairly. Chairman Boehner and Chairman McKeon used the hearing to give members on both sides of the aisle an opportunity to directly challenge representatives of the for-profit sector about allegations of fraud and abuse within their industry.

Witnesses at the hearing praised the provisions of the College Access and Opportunity Act that would eliminate barriers in current law that limit access and benefits to students at proprietary institutions. Proprietary schools enroll a larger share of minority, low-income, and non-traditional students than other schools, and should be treated more equitably under current law, Committee leaders and several witnesses agreed.

Closing the Graduation Gap in American Higher Education

Another issue scrutinized by the Education and the Workforce Committee during its HEA reauthorization process was the emerging graduation gap, with colleges not producing the student outcomes many Americans expect. An alarming graduation gap exists at U.S. colleges and universities, with a disproportionate share of minority and low-income students unable to earn a degree even after pursuing higher education, witnesses told the Committee during a hearing on July 13, 2004. The witnesses praised efforts by Committee Republicans to increase the focus on graduation rates and student outcomes by giving students and parents access to information so they may hold colleges and universities accountable.

A troubling report released in May 2004 by the Education Trust revealed disturbingly low graduation rates at American colleges and universities, particularly among minority students. The Education Trust report found that "[as] growing numbers of Americans enter college, most colleges and universities have failed to ensure that those students will graduate." (Arenson, Karen; "Study Faults Colleges on Graduation Rates," The New York Times, May 26, 2004). The report indicated graduation rates are particularly low among minority students at the nation's traditional colleges and universities.

Education Trust policy director Ross Wiener testified before the Committee concerning the report and its findings.

"Higher education in America has been and continues to be a tremendous success story," said Wiener. "But that tremendous success

has allowed us to overlook a serious and deep-rooted problem in higher education: far too many students who enter our higher education system fail to earn a degree.”

Committee Republicans also challenged some of the higher education establishment’s claims about government higher education spending. When Committee leaders called on higher education organizations to explain the graduation gap and the ongoing hyperinflation in college costs, many responded by pointing the finger at “state budget cuts” in higher education. But a 2004 report from the State Higher Education Executive Officers (SHEEO), highlighted by Committee Republicans, indicated state funding for higher education had kept pace with both inflation and dramatic enrollment increases in recent years, casting doubt on lobbyists’ claims.

Upon release of the SHEEO report, Chairmen Boehner and McKeon again challenged the education establishment led by college lobbyists to explain why federally-funded colleges and universities should not be held accountable for excessive tuition increases that hurt parents and students. Warning about “a growing disconnect between the priorities of the lobbying community and those of parents, students, and taxpayers,” Boehner and McKeon also called on college lobbying groups to address the Education Trust report on the graduation gap.

Ending Excess Subsidies for Student Loan Providers & Expanding Loan Relief for Teachers

In the fall of 2004, led by members of the Education and the Workforce Committee, Congress passed legislation to shut down excess subsidies to certain loan providers in the federal student loan programs, and to redirect the savings to expand loan relief for teachers of key subjects who teach for at least five years in high-poverty K–12 schools.

In February 2004, as part of his FY 2005 budget request, President Bush called on Congress to close loopholes in higher education law that allowed certain loan providers to earn excess profits on student loans at taxpayer expense. Chairmen Boehner and McKeon answered the President’s call in May 2004 with introduction of the College Access and Opportunity Act. That bill would have immediately and permanently shut down the excess subsidies, and redirected the resources to expand access for low and middle-income students. Committee Democrats did not include provisions to shut down the excess subsidies in their version of the HEA reauthorization bill.

In September 2004, House Democrats for the first time introduced legislation to end the excess subsidies. Days later, in an effort to provide a stopgap vehicle that could shut down the subsidies and attract bipartisan support outside of the delayed HEA reauthorization process, Boehner and Senate Health, Education, Labor, and Pensions Committee Chairman Judd Gregg (R-NH) introduced the Taxpayer-Teacher Protection Act (H.R. 5186). The bill proposed to shut down the subsidies, expand student loan relief for teachers, and give Congress an opportunity to permanently end the subsidies and use the funds to expand access for current and future students through a comprehensive reauthorization of the Higher Education Act. The Taxpayer-Teacher Protection Act passed the House and

Senate easily and was signed into law by President Bush on October 30, 2004.

Reducing Pell Grant Fraud

House Republicans, led by Rep. Sam Johnson (R-TX), introduced the Student Aid Streamlined Disclosure Act (H.R. 3613), legislation to strengthen the popular Pell Grant higher education program by reducing fraud in the program—fraud that cheats America’s most disadvantaged students.

While protecting taxpayer privacy, H.R. 3613 would have required the federal government to improve the verification process for Pell Grant awards through an IRS data match. In addition to helping to reduce the under-awarding of Pell Grant benefits for students who actually qualify for more generous awards, proponents noted, the proposal could free up as much as \$340 million that Congress could use to better serve the increasing number of needy students legitimately receiving Pell grants, increase the maximum Pell Grant award for students, or reduce the current budget shortfall in the Pell Grant program for future recipients.

In November 2004, congressional appropriators took a stand in support of students hoping for a future increase in the maximum Pell Grant award by declining to include a provision in the FY 2005 omnibus appropriations bill that would have ordered the U.S. Department of Education to continue using badly outdated IRS tax tables as part of its process for determining students’ Pell Grant eligibility.

Under a law enacted in 1992 and written by congressional Democrats, the Education Department is required to use up-to-date data to calculate Pell eligibility. But since 1994, Republicans noted, the Education Department has been using IRS tax tables compiled in 1988 to determine which students qualify. The use of the badly outdated tables has added hundreds of millions of dollars to the Pell Grant budget shortfall, Committee leaders noted—and the longer the federal government continues to use them, the longer it will be before Congress can even consider raising the maximum Pell Grant award.

By declining to insert language in the FY 2005 appropriations bill requiring the Education Department to continue using the outdated tax tables, Republicans noted in December 2004, Congress had taken an important step toward potentially limiting the continued growth of the Pell Grant budget shortfall and given renewed hope to needy students for a future increase in the maximum Pell award. Organizations such as College Parents of America and the National Taxpayers Union praised the step taken by appropriators.

The FED UP Initiative

On the first legislative day of the 108th Congress, 21st Century Competitiveness Subcommittee Chairman McKeon reintroduced bipartisan legislation, identical to a bill introduced in 2002 with strong bipartisan support, that sought to improve access to higher education for disadvantaged students by reducing red tape in federal student aid programs. The bipartisan measure, dubbed “FED UP,” proposed making technical corrections to the Higher Education Act that would make it easier for Hispanic-Serving Institutions to receive federal aid, help college students avoid defaulting

on their student loans, clarify that federal scholarship aid can go to low-income and minority students for law school, and improve higher education access in other ways recommended by the higher education community.

The FED UP legislation was based directly on recommendations submitted by school officials, educators, students, and others through the FED UP project (short for “Upping the Effectiveness of Our Federal Student Aid Programs”). The FED UP project used the Internet to identify and simplify burdensome regulations in the Higher Education Act that work against college students and personnel. Interested parties submitted recommendations to the FED UP website on how to streamline burdensome regulations in higher education. The project received approximately 3,000 responses from college officials, administrators, students, and other personnel who operate America’s institutions of higher learning, laying the groundwork for the reforms introduced by McKeon and later included in a comprehensive HEA reauthorization bill.

The FED UP legislation also included a provision authored by Rep. Carolyn McCarthy (D-NY) that sought to forgive the student loans of the spouses of fire, police, military and rescue personnel who were victims of the September 11, 2001, attack on the United States. The FED UP reforms were included in legislation introduced by Chairmen Boehner and McKeon in 2004 to strengthen and renew the federal student aid programs (H.R. 4283), and are expected to be included in similar legislation in the 109th Congress.

Supporting High Quality Teachers

On October 4, 2004, with support from members of the Education and the Workforce Committee, President George W. Bush signed into law tax relief legislation extending a law enacted in 2002 that allows school teachers to deduct up to \$250 a year for out-of-pocket expenses such as books and crayons. The popular deduction was enacted originally by President Bush and Congress in February 2002, a month after the signing of the No Child Left Behind Act.

In response to demands by some lobbying organizations for increased spending on teacher programs, Committee leaders noted that federal teacher quality funding had increased by more than 35% since President Bush took office, and that this funding had been linked for the first time ever to accountability for results through the No Child Left Behind Act. Annual congressional appropriations for teacher quality grants to states jumped from \$787 million (the final level provided under President Clinton) to \$2.92 billion in FY 2005.

To further support school teachers, the House twice passed legislation during the 108th Congress to more than triple current student loan forgiveness available to highly qualified teachers of math, science, and special education who teach for five years in high-poverty schools. The Taxpayer-Teacher Protection Act (H.R. 5186), authored by Education and the Workforce Committee Chairman John Boehner (R-OH) and 21st Century Competitiveness Subcommittee Chairman Howard P. “Buck” McKeon (R-CA), was signed into law by President Bush on October 30, 2004. Similar legislation was proposed in 2003 by Rep. Joe Wilson (R-SC). His bill, the Teacher Recruitment and Retention Act (H.R. 438), closely resembled a similar

loan forgiveness proposal included in President Bush's FY 2004 and FY 2005 budget proposals. The Wilson bill was approved with overwhelming bipartisan support in the House on July 9, 2003, but was not acted upon by the Senate. That bill, like the Taxpayer-Teacher Protection Act signed by President Bush, proposed increasing loan forgiveness from \$5,000 to \$17,500 for highly qualified teachers of math, science, or special education who teach for five years in needy, Title I-eligible schools.

The desire to provide relief and support for school teachers was also a major driving factor in the Committee's successful effort during the 108th Congress to revamp the Individuals with Disabilities Education Act (IDEA). Further details about this effort can be found in other sections of this report.

Accountability in Federal Education Spending

During the 108th Congress, research and opinion polls consistently showed Americans believed the most important factor in improving public schools was not increases in government spending, but rather an emphasis on high standards and accountability for results.

Committee leaders pushed back hard during the 108th Congress against claims by lobbyists that education reform had been "underfunded" by President Bush. Members noted that since Republicans took control of the House in 1995, federal education funding had increased significantly. Funding for the U.S. Department of Education has increased by nearly 150 percent under GOP control of the House, Republicans pointed out, from \$23 billion in FY 1996 to \$57 billion in FY 2005.

Chairman John Boehner (R-OH) joined Senate Health, Education, Labor, and Pensions Committee Chairman Judd Gregg (R-NH) during the 108th Congress in calling attention to large balances of unexpended federal education funds that had gone unused by states. Some of the funds dated back to the late years of the Clinton administration. In 2004, Boehner—citing data released by the U.S. Department of Education—pointed out that the amount of unexpended federal education funds was increasing as the No Child Left Behind Act was being implemented by states and schools across the nation, casting further doubt on opponents' depiction of the new K-12 law as an "unfunded mandate."

On November 20, 2004, the U.S. House approved an omnibus appropriations bill for FY 2005 that maintains the Republican commitment to funding education, and ties those funds to reform. The bill was signed into law by President Bush on December 8, 2004. Members of the Education and the Workforce Committee worked closely with appropriators in the 108th Congress to ensure federal education funds would continue to be spent only with close links to education reforms that demand accountability and results. Highlights of education funding provided under the FY 2005 omnibus appropriations bill include:

- Title I Aid for Disadvantaged Students—Funding for Title I, the cornerstone of the No Child Left Behind Act, is increased to \$12.7 billion in the FY 2005 spending bill. In fact, because of NCLB, Title I received a larger increase during the first two years of President George W. Bush's administration alone than it did

during the previous eight years combined under President Bill Clinton.

- **Reading First**—Funding for the Reading First and Early Reading First programs is increased to \$1.15 billion, enabling states to ensure all children can read by the time they reach the third grade through scientific research-based reading programs.

- **Improving Teacher Quality**—States are provided \$2.91 billion for professional development programs to provide states and school districts with tools to improve teacher quality. The bill also provided \$179 million to increase the number of teachers trained in the fields of math and science.

- **State Assessments**—States are provided \$412 million to help cover the costs of developing annual reading and math assessments.

- **Charter Schools**—States are provided \$217 million for charter school grants and \$37 million to help enhance charter school facilities.

- **Special Education Grants** are funded at \$11.4 billion, which is the highest level in history and over three times the amount provided in 1995.

- **Maximum Pell Grant** awards are funded at \$4,050.

- **TRIO and GEAR UP**—Funding to help minority and disadvantaged students prepare for and succeed in college was increased to \$837 million and \$306 million, respectively.

- **Head Start**—Funding for Head Start centers is increased to \$6.9 billion. This funding level allows Head Start to maintain current service levels while ensuring that quality improvements and training elements are fully implemented.

Education and the Workforce Committee members expressed concern during the 108th Congress about government data suggesting federal education funding had increased more quickly than states could spend the money, with states sitting on billions in unspent No Child Left Behind and special education funds. On January 14, 2004, Committee Chairman Boehner released a majority staff report showing states were sitting on billions of dollars in unspent federal education aid. The report, “No Child Left Behind Funding: Pumping Gas into a Flooded Engine,” rejected education reform opponents’ claims that NCLB was “underfunded” by showing that the public education system could only absorb so much new money at once.

Highlights from the report included:

- States were collectively sitting on nearly half a billion dollars (\$469 million) in unspent federal education funds appropriated for their use during the final years of the Clinton administration (FY 2000, FY 2001)—before NCLB was even enacted. Ninety-four percent of these unspent funds were included in federal school improvement, special education, Title I, and other programs for economically disadvantaged students.

- States were collectively sitting on \$1.6 billion in unspent federal education funding made available for their use two or more years ago.

- States collectively had \$10.3 billion in unspent federal education funds, all of which was available to them for at least a year.

A second report released by the U.S. Department of Education’s Budget Services Office on October 1, 2004, showed states had ac-

cess to more than \$10 billion in unexpended federal education funding appropriated between FY 2000 and FY 2003. The report also showed that the percentage of federal funds unspent by states was increasing—not decreasing—as more and more federal money was pumped into the public education system.

On February 24, 2003, Chairman Boehner sent a “Dear Colleague” letter to House Republicans and Democrats highlighting a report by The Josiah Bartlett Center for Public Policy (www.jbartlett.org) detailing the financial impact of the No Child Left Behind Act on the state of New Hampshire. The study estimated the costs associated with complying with NCLB—providing highly qualified teachers and paraprofessionals, new testing requirements, technology plans, and special education—to be approximately \$7.7 million. Factoring in the \$13.7 million in increased federal education aid coming from NCLB, the study concluded that New Hampshire would receive an extra \$6 million in federal education aid to spend on other state and local education priorities in 2003.

On June 10, 2003, Education Reform Subcommittee Chairman Mike Castle (R-DE) sent a letter to all Members of Congress rejecting claims that NCLB was “underfunded.” Castle pointed out that authorization levels are spending caps placed on appropriators—not spending “promises.” In the letter, Castle also pointed out that Democratic leaders and President Bill Clinton used exactly the same approach to education funding in 1994, which was the last time the Elementary and Secondary Education Act (ESEA) was reauthorized—yet not a single Democratic leader had accused President Clinton or then-Majority Leader Gephardt of providing “less than promised” for education. Under a Democrat-controlled Congress and White House, the total authorization level for the Improving America’s Schools Act of 1994 (IASA) for FY 1995 was \$13 billion, Republicans noted, but IASA activities were appropriated at \$10.3 billion for FY 1995—a discrepancy of \$2.7 billion.

In February 2004, Committee leaders highlighted a major national cost study released by AccountabilityWorks, a non-profit research organization, which showed that states are profiting handsomely from the education spending increases triggered by NCLB.

“[W]e conclude that the charge that NCLB is an ‘unfunded mandate’ is false [emphasis added]; additionally, we find that the level of federal funding provided to support implementation of NCLB requirements has been—and is likely to remain—sufficient,” the report’s authors wrote.

The authors’ analysis estimated states would collectively receive a surplus of \$787 million in federal No Child Left Behind funding for the 2004–05 school year, a surplus that could increase to \$5 billion by the 2007–08 school year. The report also recognized states are under no obligation to accept the federal education funds that accompany the No Child Left Behind requirements, and cautioned against attempts to attribute costs to NCLB that the law does not impose.

“States choosing to accept Title I and other federal dollars should be assured that substantial federal resources accompany new demands,” the authors noted. “There is, however, no reason to assume that the fundamental federal role has changed to the point

that all new future K–12 needs are now the responsibility of the federal government.”

On March 25, 2004, five Committee members signed a “Dear Colleague” letter highlighting the fact that the House Democratic leadership’s budget for FY 2005 provided billions less for the Title I program than the NCLB law technically authorized, even as leaders of the minority had criticized President Bush for funding education programs in that manner. Committee members who signed the Dear Colleague letter included Chairman Boehner, 21st Century Competitiveness Subcommittee Chairman Howard P. “Buck” McKeon (R–CA), Rep. Cass Ballenger (R–NC), Rep. Joe Wilson (R–SC), and Rep. Marilyn Musgrave (R–CO).

Committee Republicans also highlighted a report published in the Spring 2004 edition of the policy journal *Education Next* by two Massachusetts state officials (state board of education chairman James Peyser and state chief economist Robert Costrell). The authors concluded the federal government “overshot the target” in terms of funding the No Child Left Behind law by providing more money than some states need to make it work.

Peyser and Costrell concluded the increased federal aid states are receiving as a result of the No Child Left Behind law should cover the costs of the additional reforms required. They also concluded “many critics greatly exaggerate the shortfall of federal resources” needed to implement the law’s reforms.

“If this spending increase does not fully cover the fiscal gap [associated with No Child Left Behind’s requirements], it would appear to come pretty close—especially when combined with state-level spending increases already required under various state laws and court decisions,” Peyser and Costrell wrote. “Given that many states have been slow to implement the statewide assessment and accountability systems required by NCLB, one might even argue that in some instances federal spending growth has overshot the target.”

Total federal spending for K–12 education grew significantly from 2001 to 2003 as a result of No Child Left Behind, Peyser and Costrell noted, resulting in an \$8 billion funding increase that is sufficient—if not more than sufficient—to allow states to meet NCLB’s current expectations. The authors said federal education spending must continue to increase in coming years to ensure states continue to have adequate funding to meet NCLB’s objectives, but found the actual amount needed was far below the huge amounts claimed by education reform opponents in many states. Additionally, Peyser and Costrell found the \$391 million appropriated by Congress (FY 2004) for states to design and implement annual tests for students in grades 3–8 was adequate for the present time—a conclusion also reached by the independent Government Accountability Office (GAO). Five states had already met the NCLB testing requirements before the law even went into effect, they noted.

Additionally, a May 2004 report from the nonpartisan Government Accountability Office, requested by Senator George Voinovich (R–OH), further discredited claims that the No Child Left Behind Act is an “unfunded mandate.” The GAO reviewed more than 500 different statutes and regulations enacted in 2001 and 2002, in-

cluding Congressional Budget Office (CBO) reports about NCLB, and officially concluded NCLB is not an unfunded mandate.

According to the report, NCLB “did not meet the UMRA’s [Unfunded Mandates Reform Act of 1995] definition of a mandate because the requirements were a condition of federal financial assistance” and “any costs incurred by state, local or tribal governments would result from complying” with conditions of receiving the federal funds.

Supporting Implementation of the No Child Left Behind Act of 2001 (NCLB)

The Committee on Education and the Workforce and its subcommittees conducted eight hearings during the 108th Congress to study the progress states and local schools were making in implementing the education reforms included in the bipartisan No Child Left Behind law (NCLB). These hearings showed NCLB is helping schools improve learning for children with disabilities and for students in inner-city schools; states received more than enough funding to implement the law; some states have not done enough to implement the NCLB provisions allowing children to transfer out of unsafe schools; and some states and districts could do more to inform parents of their school choice options under NCLB.

On September 29, 2003, the Subcommittee on Education Reform held a field hearing in Denver, Colorado, entitled “Keeping Schools Safe—The Implementation of No Child Left Behind’s Persistently Dangerous Schools Provisions.” Rep. Tom Osborne (R-NE), vice chairman of the Education Reform Subcommittee, and Rep. Marilyn Musgrave (R-CO) heard testimony from witnesses on the importance of ensuring a safe learning environment for the nation’s students, a key component of the No Child Left Behind Act.

Hearings noted that the No Child Left Behind Act contains provisions to empower parents with more information about school safety and new choices to ensure students are learning in a safe environment. The law requires each state receiving federal money to establish and implement a policy to define what constitutes a persistently dangerous school. Students attending a persistently dangerous school must be given the option to transfer to a safer public school or charter school within the same school district. In addition, students who are victims of violent crimes on school property must be given the option to transfer to a safer school within the school district.

At the September 29 field hearing, Colorado State Senate President John Andrews applauded Congress for tying the persistently dangerous schools provision to federal education funding.

“No student should have to attend a public school in which his or her personal safety is constantly at risk. I applaud the intent of Congress in requiring states to guarantee children an exit from such schools as a condition of receiving NCLB federal grant money,” he said.

Additional witnesses at the field hearing included the Honorable Bob Schaffer, former U.S. Representative for Colorado’s Fourth Congressional District and member of the U.S. House Committee on Education and the Workforce from 1997 until 2003; William J. Moloney, the Colorado Commissioner of Education; and David

Smith, the Director of Prevention Initiatives at the Colorado Department of Education.

On October 20, 2003, the Subcommittee on Education Reform held a field hearing in Greenville, South Carolina, on whether states and school districts are providing parents with needed information to best utilize the educational choice options provided by the landmark No Child Left Behind Act. The hearing, entitled “No Child Left Behind’s Education Choice Provisions: Are States & School Districts Giving Parents the Information They Need?” featured a wide range of federal, state, and local witnesses. Rep. Jim DeMint (R-SC) chaired the field hearing, and Rep. John Carter (R-TX) also attended.

The hearing highlighted the fact that the No Child Left Behind Act provides parents with unprecedented information and options for improving their children’s education. In addition, the law calls for extra help for high-priority schools once they are identified. The choice provisions include the option to transfer to a better performing public or charter school in the same school district and access to free tutoring. Prior to the hearing, many parents and school choice supporters had expressed concern that states and school districts were not doing enough to notify parents fully of their new rights under the No Child Left Behind law.

Testimony received by the Committee at the October 20, 2003 hearing lent credence to this concern. George Waggoner, a Greenville parent, testified that the choice to transfer his daughter, Jessica, to another school was “great.” But Waggoner also noted that he was notified of his options not by the local school district, as required under the No Child Left Behind law, but by a local newspaper reporter.

“When we talked to [the local school’s principal], she said our notice came back in the mail. That is when we found out the school district will not use our correct address, and sometimes we don’t get what they send out,” he said.

Ms. Nina Rees, Deputy Under Secretary for Innovation and Improvement at the U.S. Department of Education, testified that the parental choice provisions of NCLB were implemented unevenly across the nation during the 2002–2003 school year. Many states did not have the test score data available to identify schools in need of improvement by the beginning of the school year. This meant that parents did not have the needed information for choice in time. States also took months to approve initial supplemental service providers, further delaying parental options, she indicated.

Additionally, Ms. Rees testified that some school districts “did not make the aggressive outreach one would hope for and, thus, many families did not really find out what was available.”

“Some [school districts] made it more difficult for parents to sign up than they could have * * * by requiring them to enroll at district headquarters,” Rees said. “Some [school districts] have established what may be unreasonable contractual requirements with providers, or made it difficult for outside providers to make use of school facilities.”

Dr. Dana Marie Jeffrey, Vice President of Strategic Sales for Lightspan, Inc., echoed Ms. Rees’ concerns about the need for proper cooperation between private supplemental service providers and local school districts.

On March 3, 2004, witnesses testifying before the full U.S. House Committee on Education and the Workforce told Congress to “stay the course” on demanding high standards for all students under President Bush’s No Child Left Behind Act. The hearing, entitled “No Child Left Behind: Improving Results for Children with Disabilities” and chaired by Committee Chairman John Boehner (R-OH), focused on the importance of including students with disabilities in state accountability systems, as required by the bipartisan education reforms.

Witnesses stressed the importance of the No Child Left Behind law in requiring states and local school districts to include students with disabilities in accountability systems. Witnesses also highlighted the fact that students with disabilities can achieve academic success if held to high standards.

Ricki Sabia, mother of a 5th grade student with Down Syndrome, testified that “after some initial battles and with persistent advocacy, we have been able to keep Stephan fully included in his neighborhood school since kindergarten. He has always taken the regular assessments with accommodations and has surprised everyone by doing quite well. The gift that NCLB has given students with disabilities is the expectation that they can all learn and achieve.”

Dr. Jane Rhyne, Assistant Superintendent of Programs for Exceptional Children of the Charlotte-Mecklenburg Public Schools (NC), testified on local efforts to integrate students with disabilities into their accountability programs.

“Though we had an early start on NCLB-type approaches, the Act provided us with a new set of challenges and truly helped us refine and deepen our academic focus for all students. I have seen first hand in Charlotte-Mecklenburg and on technical assistance and site visits to other school districts that instructional attention to students with disabilities has been clearly heightened,” said Rhyne.

Additional witnesses included Pia Durkin, Superintendent of the Narragansett Public Schools in Rhode Island, and Dr. Martha Thurlow, Director of the National Center for Educational Outcomes.

At a March 8, 2004, field hearing in Columbus, Ohio, members of the Education and the Workforce Committee were told that the debate over education funding should not deter Ohio from striving to implement the No Child Left Behind law. Several hearing witnesses, including the superintendent of a major Columbus-area public school district, publicly rejected the stance taken by lobbyists for the Ohio Education Association, who were calling for lower education standards and billions in new spending on top of the billions in new spending already being provided to states under NCLB.

“We have been challenged to become accountable for the academic achievement of all our students,” said Dr. Richard Ross, superintendent of the Reynoldsburg (OH) City School district.

“[To] argue that this is an impossible goal is ludicrous * * * It is my opinion that financial resources are not the most important ingredient [in improving student achievement.] The most essential pre-requisite for success with NCLB is that the student/teacher/ad-

ministrator individually believes that it is possible for them,” said Ross.

Mr. Ronald Tomalis, counselor to U.S. Secretary of Education Rod Paige, noted Ohio has received a 45 percent increase in federal education aid under No Child Left Behind, an increase of \$206 million in annual funding over the pre-NCLB level, bringing the total to approximately \$666 million for FY 2004 in annual aid to the state. Tomalis noted that as of the time of the hearing, Ohio still had more than \$300 million in federal education funds available that were provided by Congress from 2000 through 2002. Some of those funds had been available to Ohio for more than three and a half years—longer than President Bush had even been in office, majority staff aides noted.

Hearing participants considered a number of different studies issued that offered widely varying estimates about the costs associated with implementing NCLB in Ohio and other states. The hearing featured testimony from Dr. Howard Fleeter, co-author of a study touted nationally by the National Education Association (NEA)—a Washington, D.C. based union—that suggested the federal government must provide more than \$1 billion in extra annual funding before Ohio schools, which prior to NCLB were expected only to educate 75 percent of their students, should be asked to strive for 100 percent proficiency. But Fleeter agreed NCLB’s goal—urging states to close achievement gaps between disadvantaged students and other students—is the right objective, and other participants challenged the assumptions made in the report.

Ted Rebarber, president of the non-profit education research organization AccountabilityWorks and author of a national cost study showing states are profiting financially from the federal funding windfall created by NCLB, highlighted several major points of concern associated with the Ohio cost study.

“In developing our own analysis of the cost and revenues associated with NCLB, we found that recent funding increases, as well as likely future increases for the duration of the statute, were sufficient to pay for ambitious initiatives to comply with all the specific mandates,” said Rebarber. “[The] conclusion [in the Ohio study] is simply not supported by the evidence provided.”

The hearing, entitled “The Status of No Child Left Behind Implementation in Ohio,” was chaired by Committee Chairman Boehner and attended by Rep. Pat Tiberi (R-OH), Rep. Tim Ryan (D-OH), and Rep. Betty McCollum (D-MN).

On April 15, 2004, the Committee on Education and the Workforce heard testimony from federal, state and local education officials on the flexibility provisions available to all fifty states and every local school under the No Child Left Behind law.

“Given the great flexibility extended to states regarding the implementation of provisions in No Child Left Behind, all fifty states have unique plans—and Georgia is no exception,” said Kathy Cox, Georgia State Superintendent of Schools. “Like many other states, Georgia has taken advantage of statutory flexibility in areas such as the definition of Basic, Proficient, and Advanced students; the minimum number of subgroup accountability; the definition of Full Academic Year; and the timeline for reaching 100 percent proficiency.”

Cox also explained that the Georgia State Board of Education was able to empower local school districts with even more flexibility than some states by offering them the option of including an additional academic indicator in their accountability plans. While many states decided to use only attendance as their academic indicator, Georgia state officials offered a variety of options to their local schools, including attendance rate, retention rate, the percent exceeding standards on academic assessments, and assessments on writing, science and social studies.

Dr. Jeffrey McDaniel, Director of School Improvement and Entitlement Programs for Floyd County (GA) Schools, offered examples of how local school systems can use this new flexibility to benefit all students. For example, the Floyd County school system implemented a modified calendar for the 2003–04 school year, allowing it to provide an additional thirteen days of academic instruction through intersession periods. Since the program’s inception, the school system had operated three intersession periods, serving a minimum of 500 students per session.

Dr. McDaniel pointed to an example of the program’s early impact on one student in particular. After this student attended intersession, he began increasing his visits to the media center. When a media specialist praised the student for visiting the media center, the student told her, “I love to read because now I know how.”

Dr. Eugene Hickok, U.S. Deputy Secretary of Education, testified on the flexibility available to every state and local school district through No Child Left Behind. He also provided testimony on additional flexibility granted to states and local school districts by the Department of Education for measuring adequate yearly progress (AYP).

Dr. Hickok discussed the flexibility provisions provided to states and local schools in how they spend the federal resources they receive, noting that schools are allowed to spend up to 50 percent of their non-Title I money as they see fit. Local schools do not need to apply to federal or state officials first—the flexibility is automatic. No Child Left Behind also includes demonstration projects to empower states and local school districts with even greater flexibility for how they spend the federal resources they receive. The “State-Flex” program allows states to spend 100 percent of their federal state activity funding for any educational purposes designed to improve student achievement. The “Local-Flex” program permits local educational agencies to spend 100 percent of their non-Title I funding however they choose.

The hearing, entitled “No Child Left Behind: Improving Academic Achievement Through Flexibility and Accountability for Schools,” was chaired by Committee Chairman Boehner and additional participants included Rep. Max Burns (R-GA) and Rep. Denise Majette (D-GA).

At a Full Committee hearing in Washington, D.C., on April 24, 2004, a former National Teacher of the Year praised the No Child Left Behind Act and said states need to provide more accurate information to schools and teachers about what they are required (and aren’t required) to do under the law. The comments were made by 1993 National Teacher of the Year Tracey Bailey during a hearing on NCLB’s teacher quality requirements.

“[No Child Left Behind’s] provisions are designed to get teachers the help they need in the few areas where teachers may not be highly qualified in a subject area. They now have the time and resources in order to fix that shortcoming,” said Bailey, a former physics, chemistry and Advanced Placement biology teacher in Florida.

Ross Weiner, Policy Director of the Education Trust, testified on the importance of No Child Left Behind’s highly qualified teacher provisions in ensuring the nation’s most disadvantaged schools have the qualified teachers they need to improve student academic achievement.

“These provisions represent the first major federal commitment to ensuring that all students are taught by qualified teachers, and constitute important progress in the quest for educational excellence and equality,” said Weiner. “They are the ‘support side’ of this ambitious law—the substantive provisions with the most potential to actually improve teaching and instruction in previously low-performing schools.”

The hearing highlighted the fact that the No Child Left Behind law asks each state—in exchange for billions of dollars in federal teacher quality aid—to develop and implement a plan to place a highly qualified teacher in every public classroom by the conclusion of the 2005–2006 school year. States have significant flexibility in defining what constitutes a highly qualified teacher, participants noted. At a minimum, teachers must have full state certification, a Bachelor’s degree in any subject, and demonstrate competency in core academic subjects they teach. Individual states—not the federal government—design the test to assess competency in core academic subjects, which may include rigorous state academic tests; a Bachelor’s or advanced degree in a core academic subject; or the high, objective, uniform state standard of evaluation (HOUSSE) for veteran teachers.

The hearing was entitled “The Importance of Highly Qualified Teachers in Raising Academic Achievement.”

On May 27, 2004, the Subcommittee on 21st Century Competitiveness held a field hearing on the importance of highly qualified teachers in improving academic achievement for all students, regardless of race, ethnicity, geography, disability, or income. The hearing, entitled “Highly Qualified Teachers and Raising Student Achievement,” was held in Phoenix, Arizona, and chaired by Rep. Howard P. “Buck” McKeon (R-CA).

Mr. Raymond Simon, Assistant Secretary for Elementary and Secondary Education at the U.S. Department of Education, testified on the importance of highly qualified teachers in raising student achievement. He also discussed the resources available at the federal level to assist states in placing a highly qualified teacher in every classroom.

Dr. Lewis C. Solmon, Executive Vice President and Director of Teacher Advancement Programs at Milken Family Foundation, provided information about the foundation’s Teacher Advancement Program (TAP). According to Dr. Solmon’s testimony, the Teacher Advancement Program builds on No Child Left Behind through five primary principles—multiple career paths, performance-based accountability, market-driven compensation, ongoing applied professional growth, and expanding the supply of high quality teachers.

Additional witnesses included Dr. Karen Butterfield, Deputy Associate Superintendent for Innovative and Exemplary Programs at the Arizona Department of Education, and Dr. Laura Palmer Noone, President of the University of Phoenix.

On June 23, 2004, during a hearing held in Washington, D.C., urban school officials told members of the Committee that No Child Left Behind is having a positive impact on student achievement in the nation's inner-city schools.

Dr. Michael Casserly, executive director of the Council of the Great City Schools, a coalition of 64 of the nation's largest urban public school systems, testified at the hearing.

"Our most recent report attempted to answer the question, 'Have urban schools improved student achievement since No Child Left Behind was enacted?'" Casserly said. "The answer appears to be 'yes.'"

"Between the 2001-02 and 2002-03 school years (the period since NCLB), the percentage of urban fourth graders scoring at or above proficiency levels on their respective state reading tests increased from 42.9 percent to 47.8 percent—an increase of 4.9 percentage points," Casserly testified. "The percentage of urban fourth graders scoring at or above proficiency levels on their respective state math tests increased from 44.2 percent to 51.0 percent—an increase of 6.8 percentage points."

Dr. Eric Smith, superintendent of Anne Arundel County Public Schools (MD), testified that the No Child Left Behind law is instrumental to long term educational, economic and social health in America, and cited recent test scores from his district as an example of rising student achievement.

In 2003, 63.8 percent of Anne Arundel County third graders scored proficient and advanced on state reading assessments, Smith reported. In 2004, 78.5 percent of third graders scored proficient and advanced. Statewide, 71 percent of third graders passed the reading exam in 2004, as compared to 58 percent in 2003. According to Dr. Smith, limited English proficient (LEP) students posted an impressive 27 point increase in reading scores in 2004.

Paul Vallas, chief executive officer for the school district of Philadelphia, testified on the importance of disaggregating test data by subgroup to determine if the academic achievement gap is closing between disadvantaged students and their more fortunate peers.

"The greatest tool that NCLB provides to achieve this objective [closing the achievement gap]—and, I suspect, the greatest object of consternation of some of my colleagues—is the disaggregation of test scores by subgroup. For the first time, we are able to shine a spotlight on groups that have been historically underserved," said Vallas. "With this recognition comes our obligation to provide whatever resources we have to correct this historic imbalance, and the structure of the Act provides districts with the opportunity to do so."

Dr. Marcus Newsome, superintendent of Newport News (VA) Public Schools, testified that because of the No Child Left Behind Act, school districts have been prompted to focus more intently on existing achievement gaps and create solutions to close the gaps. One school in Dr. Newsome's district, An Achievable Dream Academy, has had success in lowering the achievement gaps between disadvantaged students and their peers. The public school is sup-

ported by private businesses and has helped disadvantaged and minority students make significant academic gains.

Dr. Margaret Raymond, director of the Center for Research on Education Outcomes at the Hoover Institution at Stanford University, presented evidence showing that accountability systems, the cornerstone of the No Child Left Behind Act, are instrumental to improving student academic achievement.

The hearing, entitled “No Child Left Behind: Raising Student Achievement in America’s Big City Schools,” was chaired by Committee Chairman Boehner.

Revamping the No Child Left Behind Website

On September 14, 2004, Education and the Workforce Committee Chairman John Boehner (R-OH) unveiled a new Committee website designed to provide parents, teachers, school administrators, and Members of Congress with the facts about the No Child Left Behind Act and its implementation.

Highlights of the No Child Left Behind website included:

- **State-by-State Implementation Guide**—A new 50-state map provided users with state-by-state information on the progress being made in implementing the education reform law. Website users could click on any state to find a link to a U.S. Department of Education fact sheet providing some of the latest news about the progress being made to boost student achievement.

- **No Child Left Behind Frequently Asked Questions (FAQs)**—The website featured a detailed guide created by Committee majority staff answering “frequently asked questions” and correcting common misconceptions about the law.

- **Parents’ Rights Guide**—Low-income parents and students have new hope and new educational choices as a result of the No Child Left Behind Act, which provides extra help to both students and struggling schools, Committee members noted. The Committee’s new website included sections devoted to helping parents understand their right to receive free private tutoring for their children and/or the right to send their children to a better, safer public school or charter school.

- **News and Resources**—The website allowed users to access the most up-to-date news and resources released by the Committee’s majority members. This section included press statements, editorials and articles, fact sheets and Dear Colleague letters.

- **State-by-State Federal Funding Information**—As a result of No Child Left Behind, states are receiving record levels of federal education funding, Committee members noted. The NCLB website offered users a state-by-state federal funding guide showing how much money individual states are receiving overall, specifically for NCLB, and for other federal education programs.

Improving Results and Local Control in Vocational and Technical Education

Vocational and technical education under the Carl D. Perkins Vocational and Technical Education Act, known as the Perkins program, plays an important role in secondary and postsecondary education systems in states and local communities. According to the National Center for Education Statistics, 66 percent of all public secondary schools have one or more vocational and technical edu-

cation programs with approximately 96 percent of high school students taking at least one vocational and technical course. Vocational and technical education is an important postsecondary option as well. More than 2,600 postsecondary sub-baccalaureate institutions, such as community colleges, technical institutes, skill centers, and other public and private colleges, also offer vocational and technical education.

To help states and local communities strengthen vocational and technical education, the Education and the Workforce Committee approved the Vocational and Technical Education for the Future Act (H.R. 4496) on July 21, 2004. The bill was authored by Education Reform Subcommittee Chairman Mike Castle (R-DE) and was approved in both the Subcommittee and Full Committee by voice vote, with no recorded opposition.

The Vocational and Technical Education for the Future Act built on previous reforms to the Perkins program that increased the focus on academic and technical skills, and on ensuring students complete their programs and are equipped to transition into postsecondary opportunities including further education or successful employment. The bill reaffirmed the notion that states and local communities should have the final say when it comes to educational choices for their students. To assist states as they work to improve vocational and technical education, the bill sought to enhance learning opportunities for students, strengthen state and local accountability, and streamline funding.

A more detailed summary of the Vocational and Technical Education for the Future Act is included later in this report, in the summary of actions by the Education Reform Subcommittee.

Boosting America's Armed Forces

To support members of America's armed forces, the 108th Congress passed legislation to ease the financial burden of student loans on military personnel called to active duty, and also lent support to a bill that would ensure equal access to college campuses for ROTC and military recruiters. The successful effort was led by members of the Education and the Workforce Committee.

To provide student loan relief for U.S. military reservists called to active duty, Committee members sought to extend the U.S. Secretary of Education's authority to provide assistance and flexibility to military personnel transferring in and out of postsecondary education during a time of war. Rep. John Kline (R-MN) introduced H.R. 1412, the Higher Education Relief Opportunities for Students Act of 2003 (HEROES). The bill was signed into law by President Bush on August 18, 2003.

Members of the House united in 2001 and unanimously passed similar legislation providing the Secretary of Education waiver authority in the midst of the tragedy of September 11th. The Kline HEROES law continues this support for military personnel, allowing the Secretary to address the needs of those serving now, and provide flexibility and relief for those who may need it in the future.

Committee members noted that many of the men and women serving in conflicts overseas are U.S. military reservists who are college and university students participating in federal financial aid programs. The HEROES law extends waiver authority that al-

allows the U.S. Secretary of Education to excuse such military personnel from their federal student loan obligations while they are on active duty. For example, the families of military reservists who left their jobs when called to active duty could be relieved from making student loan payments during the time of service, and the families of borrowers serving on active duty could be given relief from collection calls from lenders while the conflict is taking place.

HEROES also allows the Secretary of Education to quickly react to situations not yet existing in order to provide the flexibility and protections necessary to best assist military personnel with the transition to and from postsecondary education as they work to serve our nation. Additionally, the law asks postsecondary institutions to provide a full refund of tuition and fees to students for the period they were not able to complete because of their service, and minimizes requirements for reapplication, making it easier for military personnel to reenter their postsecondary education when they return from active duty. It also asks lending institutions holding or servicing federal student loans to provide all available benefits, deferrals, and flexibility to ensure the men and women of our armed services are not placed in financial hardship because of their service to the nation.

Chairman John Boehner (R-OH) and other members of the Education and the Workforce Committee also worked with Rep. Mike Rogers (R-AL) during the 108th Congress to pass the ROTC and Military Recruiter Equal Access to Campus Act of 2004 (H.R. 3966) through the House. The bill sought to ensure ROTC and U.S. military recruiters have fair and equal access for recruiting purposes on college campuses. The bill would have amended the Homeland Security Act of 2002 and strengthened standards set forth in the 1996 Solomon Amendment, which grants the Secretary of Defense power to deny federal funding to institutions of higher learning if they prohibit or prevent ROTC or military recruitment on campus.

The ROTC and Military Recruiter Equal Access to Campus Act proposed:

- Expanding current law to prohibit schools that do not permit ROTC or military recruiting from receiving funds from the Departments of Homeland Security, Energy, Justice, Transportation, and the CIA;
- Requiring schools that accept federal funds to allow the Secretary of each military department to maintain a unit of the Senior Officer Training Corps at that institution, should such Secretary elect to do so;
- Clarifying current law to guarantee colleges and universities that accept federal funds provide access to military recruiters that is “equal in quality and scope” to the access granted to other campus recruiters; and
- Clarifying a current provision that excludes federal financial aid for students from the types of funds that would be denied to colleges that fail to comply with the provisions of the Act.

Strengthening Libraries & Museums

On September 25, 2003, President Bush signed the Museum and Library Services Act into law. The legislation, authored by Select Education Subcommittee Chairman Pete Hoekstra (R-MI), provides federal support for libraries and museums in coordination

with state, local, and private efforts. Enactment of the bill was a longstanding priority for the Education and the Workforce Committee, with similar legislation having passed the Committee with bipartisan support in the 107th Congress.

Libraries and museums play a central role in communities across America through literacy programs, educational activities, cultural enrichment, historical preservation, and many more initiatives that serve citizens of all ages, Committee members noted. Hoekstra's Museum and Library Services Act modifies and streamlines programs to strengthen museums and libraries in communities across America. In addition, the measure helps to build on the No Child Left Behind Act by ensuring that library activities are coordinated with activities under NCLB, encouraging effective cooperation between the learning resources at libraries and classrooms in schools across the country.

Fighting Child Abuse and Family Violence

To protect some of America's most vulnerable children, the Education and the Workforce Committee led efforts during the 108th Congress to enact two bills aimed at preventing child abuse and protecting at-risk youth. Both bills received bipartisan support in the House and were signed into law by President Bush.

The Keeping Children and Families Safe Act (H.R. 14), authored by Select Education Subcommittee Chairman Pete Hoekstra (R-MI), reauthorizes the Child Abuse Prevention and Treatment Act (CAPTA). The law also expands services for infants and young children born with life-threatening conditions, ensuring increased opportunities for adoption.

Signed into law by President Bush on June 25, 2003, the Keeping Children and Families Safe Act builds upon changes made during the previous CAPTA reauthorization to ensure states have the necessary resources and flexibility for identifying and addressing the issues of child abuse and neglect and family violence, and for supporting effective methods of prevention and treatment.

President Bush also signed the Runaway, Homeless, and Missing Children Protection Act (H.R. 1925), a bill introduced by Rep. Phil Gingrey (R-GA) to help locate and recover missing and exploited children, and to support community-based programs that provide basic needs to runaway and homeless youth and their families, including shelter, food, clothing, healthcare, and counseling. The law also authorizes funds for preventative and educational programs, leading efforts to reduce the numbers of at-risk children nationwide.

The first substantive legislation by a freshman member of Congress to be signed into law in 2003, the Runaway, Homeless, and Missing Children Protection Act also authorizes funding for the Presidential initiative that created maternity group homes, which are transitional living programs for young mothers and their children. The homes, included in the Transitional Living Program, provide pregnant youth and young mothers aged 16–21 with food and shelter, as well as an extensive array of parenting programs. Mothers participating in these group homes learn about child development, family budgeting, health and nutrition, and parenting skills, in order to prepare them to be self-sufficient and economically independent mothers.

C. FULL COMMITTEE ACCOMPLISHMENTS (PART 3): WORKFORCE POLICY

House Education and the Workforce Committee members devoted great energy and attention during the 108th Congress to the needs of American workers and their families. President Bush and members of the Committee worked successfully on a variety of fronts to modernize outdated federal laws that stifle freedom and innovation and help working families meet the challenges they face in today's changing economy. These efforts included enhancing job training programs, improving access to quality health care, and strengthening pension security.

As of December 2004, there was abundant evidence that the pro-growth, job-creating agenda advocated by President Bush and the leadership of the 108th Congress had begun paying dividends for American working families. According to official government data, more than 2.4 million jobs were created between August 2003 and November 2004, and employment increased during that time period in almost all 50 states. The unemployment rate in November 2004, an estimated 5.4%, was lower than the average rate of the 1970s, 1980s and 1990s, and the average unemployment rate in 46 out of 50 states between August 2003 and November 2004 was lower than that historical average. According to a household employment survey issued by the Bureau of Labor Statistics (BLS), almost 1.7 million more Americans were working in November 2004 than were working when President Bush took office in January 2001.

Federal data show President Bush's policies helped Americans rebound from the effects of the economic recession that began under President Bill Clinton and was exacerbated by the terrorist attacks of September 11, 2001. According to BLS data, approximately 908,000 new payroll jobs were added after the recession, and 3.4 million more Americans were working as of November 2004 than were working during the recession. An estimated 337,000 new payroll jobs were added in October 2004 alone.

The combination of tax relief and job creation emphasized by President Bush and supported by the 107th and 108th Congress has helped to increase family income in the United States. Median income after taxes for married couples with at least two children reached a record high of \$57,330 in 2003, an increase of 2.2% from the 2000 level, according to a study released by the Joint Economic Committee.

Economic activity in the U.S. manufacturing sector had grown for 17 consecutive months as of October 2004, according to BLS.

Members of the House Committee on Education and the Workforce supported the economic policies that encouraged this growth, and took action to build on it during the 108th Congress through reforms in federal labor law aimed at strengthening security and prosperity for working families in a changing economy. These actions are summarized in the Full Committee and subcommittee summaries that follow.

HIGHLIGHTS: Workforce Accomplishments, January 2003–December 2004

A summary of some of the major actions taken by President Bush and the Education and the Workforce Committee during the 108th Congress to update federal labor and workforce law:

Protecting Worker Pensions and Retirement Security

Members of the Education and the Workforce Committee worked during the 108th Congress to help worker pension plans stay afloat in the short term as the groundwork was being laid for broad, long-term reforms to strengthen the defined benefit pension system. Under the Committee's leadership, the 108th Congress protected workers' retirement savings by enacting short-term pension reforms, including a temporary replacement for the 30-year Treasury bond interest rate used by many employers to determine pension fund contributions. The House also passed legislation, written by Committee members and supported by President Bush, that sought to give rank-and-file workers more control over 401(k) pension plans and better access to quality investment advice regarding their retirement savings.

Replacing the 30-Year Treasury Rate. To provide security and stability to worker pension plans, the House and Senate agreed to bipartisan legislation—the Pension Funding Equity Act (H.R. 3108)—to provide a short-term replacement for the current 30-year Treasury bond interest rate used by many employers to calculate the amount of money they must set aside in their employee pension plans. President Bush signed the measure into law on April 10, 2004.

Expanding Pension Protections for Workers. On May 14, 2003, the House passed the Pension Security Act (H.R. 1000), legislation authored by Education and the Workforce Committee Chairman John Boehner (R-OH) and Employer-Employee Relations Subcommittee Chairman Sam Johnson (R-TX) to give workers significant new retirement security protections. The bill—passed originally by the Committee and the House in 2002 in response to the collapse of the Enron Corporation and the shortcomings that collapse further exposed in the nation's outdated pension laws—proposed giving workers new freedom to diversify their retirement savings within three years; expanding worker access to investment advice to help them manage their retirement accounts; empowering workers to enable them to hold company insiders accountable for abuses; and giving workers better information about their pensions.

H.R. 1000's investment advice provisions were essentially identical to legislation authored by Chairman Boehner that passed the House as a stand-alone bill (H.R. 2269, the Retirement Security Advice Act) during the 107th Congress. The measure, first offered by Boehner during the 106th Congress (1999–2000), sought to allow employers to provide their workers with access to professional investment advice as long as advisers met strict disclosure requirements and adhered to new fiduciary safeguards to ensure workers received quality advice solely in their best interests. H.R. 2269 passed the House on November 15, 2001—before the Enron collapse was dominating headlines—with 64 House Democrats joining Republicans in voting to pass the measure. The provisions were incorporated into H.R. 1000 and passed again by the House in the 108th Congress.

Laying the Groundwork for Comprehensive Pension Reforms. On September 14, 2004, Chairman Boehner outlined six principles intended to help guide congressional efforts to protect worker retirement security and modernize America's pension laws. Among the

principles outlined by Boehner: (1) Congress should implement a permanent interest rate to accurately calculate employers' pension funding promises; (2) Congress should require companies to fully fund their plans; (3) Congress should reduce funding volatility in pension plans to ensure that employers make adequate and consistent payments to their plans; (4) employers and unions shouldn't make promises to workers they know can't be kept; (5) workers deserve more accurate and meaningful disclosure about the status of their pension plan; and (6) Congress should ensure that hybrid plans, such as cash balance pensions, remain a viable part of the defined benefit system.

A more detailed account of the Committee's efforts during the 108th Congress to protect worker pensions and retirement security is included later in this report, in the summary of actions by the Employer-Employee Relations Subcommittee.

Strengthening America's Job Training System

A major goal for members of the House Education and the Workforce Committee during the 108th Congress was to strengthen the nation's community-based job training system through reauthorization of the 1998 Workforce Investment Act (WIA). WIA programs provide support for job training and retraining services for an estimated 18 million American workers, according to 2004 federal data. Republican members of the Education and the Workforce Committee sought to renew the law and strengthen it during the 108th Congress, arguing the law's services were badly needed by workers in communities across the nation who had lost their jobs or were seeking new jobs as a result of the recession that began in 2000 under President Clinton. Republicans also sought to remove obstacles in federal law that discourage faith-based organizations from bringing their unique talents and compassion to the nation's worker training system.

In May 2003, the House approved the Workforce Reinvestment & Adult Education Act (H.R. 1261), authored by 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R-CA) to renew and strengthen the WIA law. The measure included important provisions that would have streamlined duplicative bureaucracies and allowed faith-based organizations to participate in federal job training programs without surrendering their religious identities.

The importance of worker training and education was emphasized further in March 2004 when Federal Reserve Board Chairman Alan Greenspan testified before the Committee, saying that strengthening worker training and education programs was critical to putting Americans back to work and creating high-wage American jobs.

On June 3, 2004, following Senate passage of its own version of the WIA reauthorization bill, the House appointed conferees to negotiate a final bill with the Senate. However, Senate Democratic leaders refused to allow the Senate to appoint conferees to work with the House, and they stuck to that position throughout the remainder of the 108th Congress. Between June 2004 and November 2004, Committee Republicans repeatedly called on Senate Democratic leaders to drop their opposition to a House-Senate WIA conference, to no avail.

In December 2004, Education and the Workforce Committee Chairman John Boehner (R-OH) indicated reauthorization of the Workforce Investment Act and enactment of the McKeon job training reforms would be high priorities for the Committee in the 109th Congress.

A more detailed account of the Education and the Workforce Committee's efforts to strengthen the nation's job training system during the 108th Congress is included later in this report, in the summary of actions by the 21st Century Competitiveness Subcommittee.

Expanding Health Care Access for Working Families

During and prior to the 108th Congress, President Bush called repeatedly on Congress to pass legislation establishing Association Health Plans (AHPs) to help uninsured working families gain access to quality health coverage. Led by members of the House Education and the Workforce Committee, the House passed AHP legislation during the 108th Congress with bipartisan support. The legislation, which stalled in the Senate due to a lack of bipartisan support, took on a new importance as federal statistics released in August 2004 revealed the number of Americans without health insurance had increased to 45 million.

On June 19, 2003, the Republican-led House passed the Small Business Health Fairness Act (H.R. 660) with the support of 36 House Democrats. The bill, introduced by a bipartisan group of members including Employer-Employee Subcommittee Chairman Sam Johnson (R-TX), proposed allowing small businesses to band together through associations and purchase quality health care for workers and their families at a lower cost. Committee leaders noted the bill would increase small businesses' bargaining power with health care providers, give them freedom from costly state-mandated benefit packages, and lower their overhead costs by as much as 30%, helping such employers provide quality health benefits for workers.

The House passed the measure again on May 13, 2004 as H.R. 4281 to reiterate its commitment to helping the millions of Americans who have no health insurance.

A more detailed summary of the efforts to expand health care access for working families is included later in this report in the summary of actions by the Employer-Employee Relations Subcommittee.

Providing Personal Reemployment Accounts for Workers

The Education and the Workforce Committee took action during the 108th Congress to create new and innovative tools to help unemployed Americans find good-paying jobs.

Rep. Jon Porter (R-NV) led the drive to create Personal Reemployment Accounts (PRAs) to help unemployed working families. The PRA accounts, first proposed by President Bush, would provide up to \$3,000 each to help unemployed Americans return to work quickly. With the accounts, workers could use the funds to purchase job training, child care, transportation services, relocation services, career counseling, computer classes, housing assistance, skill assessment services and other important services. Recipients

finding work within 13 weeks could keep the unused portion of the funds as a reemployment bonus.

In early 2003, Porter introduced legislation to authorize a nationwide PRA initiative. The Education and the Workforce Committee approved Porter's legislation on March 5, 2003.

In early 2004, President Bush offered a PRA proposal to allow demonstration and pilot project funding under the Workforce Investment Act (WIA) to be used by states and local workforce investment boards to offer these accounts. Porter introduced a similar proposal, the Worker Reemployment Accounts Act (H.R. 4444), and it passed the House on June 3, 2004. Late in 2004, the U.S. Department of Labor selected seven states to test the effectiveness of a PRA demonstration project. The states chosen were Florida, Idaho, Minnesota, Mississippi, Montana, Texas, and West Virginia.

A more detailed account of the Education and the Workforce Committee's effort to provide personal reemployment accounts for American workers during the 108th Congress is included later in this report, in the summary of actions by the 21st Century Competitiveness Subcommittee.

Building on the Success of the 1996 Welfare Reform Law

One of the most successful social policies ever enacted, the 1996 welfare reform law has transformed the lives of millions of families and helped them achieve self-sufficiency. Renewing and strengthening the successful 1996 law was a key goal for the Education and the Workforce Committee in the 108th Congress.

On February 13, 2003, the House passed the Personal Responsibility, Work, and Family Promotion Act (H.R. 4) to build upon the 1996 reforms, led by 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R-CA) and other key members. The measure, based on President Bush's reform blueprint, proposed strengthening work requirements under the Temporary Assistance for Needy Families (TANF) block grant program to help move more welfare recipients into productive jobs and would have boosted child care funding. However, the Senate did not pass legislation to reauthorize the welfare reform law during the 108th Congress. In December 2004, Education and the Workforce Committee Chairman John Boehner (R-OH) indicated the long-sought extension of the welfare reform law would be a high priority for the Committee in the 109th Congress.

A more detailed account of the Education and the Workforce Committee's effort to build on the success of the 1996 welfare reform law is included later in this report, in the summary of actions by the 21st Century Competitiveness Subcommittee.

Protecting Workers' Right to Overtime Pay

Members of the Education and the Workforce Committee worked closely with the Bush administration during the 108th Congress to give overtime protections to millions of American workers in danger of being denied overtime pay due to outdated federal labor laws.

At the outset of the 108th Congress, federal regulations implementing the Fair Labor Standards Act (FLSA), the federal law guaranteeing overtime rights and other protections to workers, had not been substantially changed in more than five decades. As a re-

sult of these antiquated laws, Bush administration officials argued, overtime pay could be unfairly denied to someone earning as little as \$8,060 a year.

On August 23, 2004, new U.S. Department of Labor rules were put into effect by the Bush administration specifying that any worker earning less than \$23,660 annually is automatically entitled to overtime pay. Under the final rule, thousands of workers who previously were denied overtime rights immediately became eligible for overtime pay.

Some attempted to portray the new rules as an attack on American workers, falsely claiming the rules would “eliminate” overtime pay for blue collar (low and middle-income) workers and strip protections away from firefighters, police, and workers in other key professions.

The attacks, however, were challenged by the Labor Department, which noted the final overtime rule makes clear that blue collar and union workers do not lose overtime, clearly stating that “blue collar” workers are entitled to overtime pay and that neither the FLSA nor the final rule relieved an employer from its contractual obligations under a collective bargaining agreement. The Labor Department also noted the final rule strengthens overtime protections for police officers, fire fighters, paramedics, EMTs, first responders, and licensed practical nurses, ensuring that workers in these occupations cannot lose their overtime rights. The rule also specified that veterans do not risk losing overtime, making clear that veteran status does not affect a worker’s overtime pay.

Education and the Workforce Committee Chairman John Boehner (R-OH), Workforce Protections Subcommittee Chairman Charlie Norwood (R-GA), and other Committee Republicans supported the Bush administration during the 108th Congress in its efforts to provide new overtime protections to workers, and are expected to continue doing so in the 109th Congress as special interests seek to repeal the new rights given to workers.

A more detailed account of the Education and the Workforce Committee’s efforts during the 108th Congress to support new overtime protections for workers is included later in this report, in the summary of actions by the Workforce Protections Subcommittee.

Strengthening Employment Rights for Military Reservists and Veterans

Education and the Workforce Committee members worked with President Bush and the U.S. Department of Labor during the 108th Congress to protect the employment rights and benefits of service men and women returning to civilian life.

The 1994 Uniformed Services Employment and Reemployment Rights Act (USERRA) provides veterans and reservists returning from active duty with reemployment rights and protects them against discrimination by their employer on the basis of their recently completed military service or current military obligations. It also requires that reservists and service members returning from active duty who are reemployed by their previous civilian employers be given all the benefits of such employment as if they had been continuously employed and not served on active duty.

In November 2003, Education and the Workforce Committee Chairman John Boehner (R-OH) sent a letter to the Labor Department suggesting additional clarity was needed for employers and workers about their respective rights and responsibilities under the 1994 law. Unfortunately, Boehner noted in the letter, the Clinton Administration did not supplement the law with clear regulations giving both service people and employers the necessary guidance as to their rights and responsibilities. For instance, once a reservist returns from active duty, questions often arise with respect to his or her pension benefits, health care coverage, entitlement to leave under the Family and Medical Leave Act, and other benefit programs, Boehner observed.

On September 20, 2004, the U.S. Department of Labor proposed new rules to clarify and strengthen employment protections for veterans and reservists returning from active duty. The Department also signed a Memorandum of Understanding with the Department of Justice to strengthen enforcement and protect the benefits available under USERRA, ensuring faster resolution of cases and quicker enforcement action by the government when necessary.

Ensuring Timely Delivery of Workers' Compensation Benefits for Energy Employees

On October 9, 2004, the House and Senate overwhelmingly approved legislation (included in H.R. 4200, the Department of Defense Authorization conference report) to ensure the timely delivery of workers' compensation benefits under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) to energy employees for illnesses resulting from exposure to toxic substances at U.S. Department of Energy facilities. The measure requires the Labor Department to administer the new benefit program, which is intended to provide a simple, fair, and uniform workers' compensation system for energy workers. Education and the Workforce Committee members led efforts to ensure that program benefits are provided to workers in a timely and efficient manner. President Bush signed the measure into law on October 28, 2004.

A more detailed account of the Education and the Workforce Committee's efforts to ensure the timely delivery of workers' compensation benefits for energy employees is included later in this report, in the summary of actions by the Workforce Protections Subcommittee.

Strengthening Union Democracy and Improving Accountability & Transparency on Behalf of Union Members

Strengthening the democratic rights of rank-and-file labor union members has been an ongoing priority for members of the Education and the Workforce Committee.

During the 108th Congress, Committee leaders, including Employer-Employee Relations Subcommittee Chairman Sam Johnson (R-TX) and Workforce Protections Subcommittee Chairman Charlie Norwood (R-GA), strongly supported the implementation of new Labor Department regulations on union transparency. The new rules give rank-and-file union members more detailed information about the financial activities of their unions. Legislation was also

passed in the Employer-Employee Relations Subcommittee to further support this goal.

Hearings in the Employer-Employee Relations Subcommittee during the 108th Congress revealed many labor unions fail to notify their members of the democratic rights guaranteed to them under the 1959 Labor Management Reporting and Disclosure Act (LMRDA). Committee Republicans argued this failure undermines accountability and leaves rank-and-file union members in the dark about their rights. On October 2, 2003, the EER Subcommittee passed three bills introduced by Subcommittee Chairman Johnson to ensure rank-and-file workers receive information on the rights guaranteed to them under the LMRDA.

The EER Subcommittee also held hearings to investigate what many believe are increasing efforts by union bosses to circumvent current worker protection laws by abusing the secret ballot process. Circumventing the law in this manner, Committee Republicans argued, undermines union democracy and the democratic rights of individual union members. Norwood introduced legislation, the Secret Ballot Protection Act (H.R. 4343), to address this concern. H.R. 4343 proposed guaranteeing workers the right to a secret ballot election conducted by the National Labor Relations Board (NLRB) on decisions of whether to form a union and prohibiting employers from recognizing unions based on a card check.

A more detailed account of the Education and the Workforce Committee's efforts during the 108th Congress to strengthen union democracy and improve accountability and transparency for union members is included later in this report, in the summary of actions by the Employer-Employee Relations Subcommittee.

Promoting Efforts To Give "Family Time" Options to Working Mothers and Fathers

Members of the Education and the Workforce Committee conducted a major effort during the 108th Congress to modernize outdated workforce laws that prevent working parents from spending more time with their children and families.

Under current law, President Bush and Committee Republicans noted, federal employees have the right to choose extra time off with their families instead of receiving overtime pay for extra work. This "family time" option, very popular with federal employees, is denied to private sector workers across America because it is illegal for employers to offer such options under an outdated 1938 law that was not written with the realities of the 21st Century workplace in mind, Republicans noted.

The denial of "family time" rights to private sector workers is a growing problem for American society, Republicans noted, as working women and men leading increasingly busy lives find it more and more difficult to balance family and work responsibilities.

On April 9, 2003, the Education and the Workforce Committee approved the Family Time Flexibility Act (H.R. 1119), introduced by Rep. Judy Biggert (R-IL). The proposal called for allowing hourly private sector workers to choose paid time off as compensation for working overtime hours instead of overtime pay, giving them the same rights and choices government workers have had for years.

A disinformation campaign launched by union bosses and lobbying groups against the Biggert bill falsely asserted that the bill would permit employers to force workers to accept time off in lieu of overtime pay. Chairman John Boehner (R-OH) condemned the disinformation effort in 2003, calling it a “campaign of lies” that was delaying the enactment of common-sense labor law revisions at the expense of working parents.

A more detailed account of Education and the Workforce Committee efforts during the 108th Congress to provide working men and women with the option of spending more time with their families is included later in this report, in the summary of actions by the Workforce Protections Subcommittee.

Examining the Promise and Implications of Genetic Testing

The Education and the Workforce Committee devoted time in 2003 and 2004 to a detailed examination of current laws and regulations, federal and state, that seek to promote genetic non-discrimination and individual privacy, and govern the potential use of genetic information in employer-sponsored health plans.

A major hearing was conducted by the Employer-Employee Relations Subcommittee, chaired by Rep. Sam Johnson (R-TX), which has jurisdiction on matters concerning employer-provided health insurance and employment-related aspects of the genetic non-discrimination issue. The Subcommittee examined efforts being taken voluntarily by employers to ban genetic discrimination, as well as the effectiveness of current laws. Witnesses urged Congress to proceed cautiously before crafting any new mandates.

While workers and employers agree employment decisions should be based on the qualifications of employees, not on genetic factors, questions remain, legislators noted. Because hasty legislating can result in unintended consequences that have serious implications for workers and employers, Committee leaders said, the EER Subcommittee hearing was intended to provide an overview of this extremely complex area of law and science to ensure any future legislation enacted is precise and measured in its impact.

A more detailed account of the Education and the Workforce Committee’s efforts to examine the promise and implications of genetic testing is included later in this report, in the summary of actions by the Employer-Employee Relations Subcommittee.

Investigating Questionable Stock Transactions at ULLICO Inc.

In 2002, during the 107th Congress, the Education and the Workforce Committee subpoenaed executives of the Enron Corporation to testify before Congress about the Enron collapse and its implications for the retirement security of American workers. This process gave way to legislation demanding greater accountability from corporate insiders. Reflecting Education and the Workforce Committee Chairman John Boehner’s (R-OH) belief that Congress should insist on the same type of accountability from union leaders, the Committee in 2003 conducted an investigation into questionable stock transactions at the union-owned life insurance company ULLICO Inc., looking into the possibility that the scandal-plagued company had violated federal labor and pension laws at the expense of rank-and-file workers.

“Union members have a right to know that the union leaders who manage labor pension funds are following the law and acting in the interests of the workers they represent,” Boehner said of the process in 2003.

Based on witness testimony and more than 95,000 documents the Committee reviewed during its inquiry, Committee leaders determined serious questions existed about whether the questionable transactions at ULLICO violated federal labor law (the Labor-Management Reporting and Disclosure Act) and federal pension law (the Employee Retirement Income Security Act). Republicans noted these questions were not addressed in a report prepared by former Illinois Gov. James Thompson, who was appointed by ULLICO to do an independent investigation into the ULLICO transactions, apparently because ULLICO officials had instructed Thompson not to look into those areas.

Based on a review of these documents, the Committee held a hearing on June 17, 2003, to examine whether the members of the ULLICO board of directors who participated in alleged insider stock deals acted in the best interest of their unions and union members. At this hearing, key witnesses connected to ULLICO did little to ease congressional concerns over the possibility that the sweetheart stock deals at the union-operated company were a potential violation of federal labor and pension laws. During the hearing, former ULLICO Chairman and CEO Robert Georgine refused to testify, instead invoking his Fifth Amendment right against self incrimination.

A more detailed summary of the efforts to examine the stock transactions at ULLICO, Inc. is included later in this report in the summary of actions by the Employer-Employee Relations Subcommittee.

Enhancing Worker Safety & Fairness for Small Businesses

A key goal for the Education and the Workforce Committee in its effort to update federal workplace laws has been promoting worker safety and reducing illness and injury in the workplace. During the 108th Congress, Committee leaders pursued a common-sense revision of federal laws and policies relating to the Occupational Safety and Health Administration (OSHA).

OSHA regulations, Committee Republicans argued, are among the most complex and difficult legal requirements imposed on employers. For many employers, especially smaller ones, compliance with OSHA regulations is a challenge even with help from experts. OSHA under the Bush Administration has made significant efforts to supplement traditional enforcement programs with partnerships that promote cooperation in making workplaces safer, Committee Republicans noted. A March 2004 Government Accountability Office (GAO) report found OSHA’s voluntary compliance programs have been effective in reducing the number of workplace injuries and illnesses. Workplace injuries and fatalities declined significantly during President Bush’s first term, dropping by approximately 11% during the five year period reviewed by the federal government.

In order to build on these efforts, the House on May 18, 2004 passed four bills sponsored by Workforce Protections Subcommittee Chairman Charlie Norwood (R-GA) designed to improve workplace

safety, enhance business competitiveness, and foster more job creation to spur the economy. The measures sought to ensure that OSHA enforcement efforts are fair for small businesses that make good faith efforts to comply with all health and safety laws. Committee leaders noted the proposed reforms would bolster worker safety by making it easier for employers to work voluntarily and proactively with OSHA to ensure safe and secure workplaces.

A more detailed account of the Education and the Workforce Committee's efforts to enhance worker safety during the 108th Congress is included later in this report, in the summary of actions by the Workforce Protections Subcommittee.

Supporting Efforts To Preserve Retiree Health Care Benefits

During the 108th Congress, members of the Education and the Workforce Committee strongly supported common-sense proposals to preserve health care benefits for retirees across the country. On April 22, 2004, the Equal Employment Opportunity Commission (EEOC) voted to move forward with a common-sense regulation, supported by Republicans, Democrats, employers, workers, and organized labor, to ensure employers are not forced to reduce or eliminate retiree health benefits for millions of American seniors in order to avoid potential age discrimination liability.

Supporters of the revision argued the updated rule was needed because of a court ruling (*Erie County Retirees Association v. County of Erie*) which had determined an employer that voluntarily provides retiree health benefits is prohibited from reducing those benefits once an individual becomes eligible for Medicare. If this court decision were applied broadly, supporters argued, it would result in almost all employers reducing benefits provided to early retirees in order to meet a nondiscrimination test that would require them to provide the "same" benefits to early retirees and post-65 retirees.

The EEOC's proposed regulation is consistent with a letter sent by several top Committee members in December 2003 expressing strong bipartisan support for the EEOC regulation. The letter was signed by Committee Chairman John Boehner (R-OH), Employer-Employee Relations (EER) Subcommittee Chairman Sam Johnson (R-TX), and Rep. Robert Andrews (D-NJ), the EER Subcommittee's ranking Democratic member.

Committee leaders criticized the lobbying organization AARP for opposing the proposed revision. They noted AARP's stance, if put into practice, would endanger the retiree health benefits of millions of American seniors—the very Americans AARP claims to exist to protect—by encouraging employers to drop health benefits they currently provide voluntarily.

A more detailed account of the Education and the Workforce Committee's efforts during the 108th Congress to preserve retiree health care benefits is included later in this report, in the summary of actions by the Employer-Employee Relations Subcommittee.

Preserving Mental Health Parity Benefits Through ERISA

On September 23, 2004, led by members of the Education and the Workforce Committee, the House voted to preserve current-law mental health parity benefits for another year through December 31, 2005. Mental health parity benefits offered through the Employee Retirement Income Security Act (ERISA), the federal law

that governs employer-sponsored health care, had been set to expire on December 31, 2004.

President Bush signed the extension measure into law on October 4, 2004. Employer-Employee Relations Subcommittee Chairman Sam Johnson (R-TX) was a leader in the House effort to extend these benefits. Current-law mental health parity benefits, enacted in 1996, prevent employers and health insurers from establishing annual and lifetime limits on health insurance coverage for mental health benefits unless similar limits were also established for medical and surgical health coverage.

Promoting Worker Safety and Preserving Traditions in Religious Communities

As part of the FY 2004 omnibus appropriations bill, Congress enacted legislation supported by members of the Education and the Workforce Committee that allows religious communities to continue the traditional way of training their children in a craft or occupation while ensuring the safety of those who are employed in woodworking occupations. President Bush signed the measure into law on January 23, 2004.

The new law is similar to a bill (H.R. 1943) introduced by Rep. Joseph Pitts (R-PA) during the 108th Congress, which was the subject of hearings held by the Workforce Protections Subcommittee. Subcommittee Chairman Charlie Norwood (R-GA) was a leader in efforts to pass the legislation. The new law creates a common-sense exception to the Fair Labor Standards Act (FLSA) that ensures religious communities can preserve their long-established way of raising and training their children.

A more detailed account of the Education and the Workforce Committee's efforts during the 108th Congress to promote worker safety and preserve traditions in religious communities is included later in this report, in the summary of actions by the Workforce Protections Subcommittee.

D. OVERSIGHT PLAN AND ACTIVITIES DURING THE 108TH CONGRESS

Pursuant to House Rule XI, Clause 1, the following specifies the oversight plan activities and are discussed within the body of this report. Under House Rule X 2(d)(1), each standing committee of the U.S. House of Representatives is required to formally adopt an oversight plan at the beginning of each session of Congress. Specifically, Rule X, 2(d)(1) states in part:

“Not later than February 15 of the first session of a Congress, each standing committee of the House shall, in a meeting that is open to the public and with a quorum present, adopt its oversight plan for that Congress. Such plan shall be submitted simultaneously to the Committee on Government Reform and to the Committee on House Administration.”

Under Rule X of the Rules of the House, the Committee on Education and the Workforce (Committee) is vested with jurisdiction over issues dealing with students, education, workers, and workplace policy, including, but not limited to:

1. Child Labor.
2. Gallaudet University and Howard University and Hospital.
3. Convict labor and the entry of goods made by convicts into interstate commerce.

4. Food programs for children in schools.
5. Labor standards and statistics.
6. Education or labor generally.
7. Mediation and arbitration of labor disputes.
8. Regulation or prevention of importation of foreign laborers under contract.
9. Workers' compensation.
10. Vocational rehabilitation.
11. Wages and hours of labor.
12. Welfare of miners.
13. Work incentive program.

Accordingly, the Committee is responsible for overseeing approximately 24,000 federal employees and more than \$125 billion in annual spending. More importantly, The Education and the Workforce Committee has a dual mission: empowering parents and teachers to provide our students with the best education possible and giving American workers access to the tools and protections they need to meet the challenges and opportunities of the New Economy.

General Oversight Responsibilities

According to House Rule X, Clause 2(a):

The various standing committees shall have general oversight responsibilities as provided in paragraph (b) in order to assist the House in—(1) its analysis, appraisal, and evaluation of—

(A) the application, administration, execution, and effectiveness of Federal laws; and

(B) conditions and circumstances that may indicate the necessity or desirability of enacting new or additional legislation; and

(2) its formulation, consideration, and enactment of changes in Federal laws, and of such additional legislation as may be necessary or appropriate.

(b)(1) In order to determine whether laws and programs addressing subjects within the jurisdiction of a committee are being implemented and carried out in accordance with the intent of Congress and whether they should be continued, curtailed, or eliminated, each standing committee (other than the Committee on Appropriations) shall review and study on a continuing basis—

(A) the application, administration, execution, and effectiveness of laws and programs addressing subjects within its jurisdiction;

(B) the organization and operation of Federal agencies and entities having responsibilities for the administration and execution of laws and programs addressing subjects within its jurisdiction.

Exercise of Oversight Responsibilities

The Committee takes seriously its responsibility to conduct oversight and investigations. The Committee is therefore committed to ensuring that government agencies, departments and programs within its jurisdiction:

- Focus on an appropriate federal mission;
- Work in an effective and efficient manner; and
- Consistently follow Congressional intent in their respective activities and operations.

Accordingly and in keeping with the Rules of the House and the principles of oversight and investigations, the Committee has identified 6 major projects for the 108th Congress. These projects are:

Financial Management in the Department of Education: During the final three years of the Clinton Administration, the Department of Education failed three consecutive audits, and an estimated \$450 million was lost to waste, fraud, and mismanagement. In October 2001, Secretary Paige announced a comprehensive action plan for putting the Department's management and financial house in order based on 601 separate recommendations. Since then, Secretary Paige has addressed all of the audit recommendations, restricted the use of government purchase cards, and tightened control of the Department's financial matters. In early February 2003, results from an agency-wide audit of the Department of Education's financial statements will be available to the Committee. This information can be used to measure the progress that has been made by the Bush Administration in implementing needed corrective actions.

Elementary and Secondary Education: Following the enactment of the No Child Left Behind Act, in the 107th Congress, the Committee has been and will continue to focus on the effective and timely implementation of the Act. The Committee will examine successful efforts to implement the law at the state and local level, as well as the obstacles to successful implementation at all levels, including how federal regulations promote or inhibit timely and effective implementation. Specific areas of focus will include accountability, assessments, choice, supplemental services, teacher quality, and flexibility.

Higher Education: The Committee will thoroughly examine the laws and regulations governing the Higher Education Act (HEA), with the goal of increasing access to postsecondary education for our nation's students, ensuring the quality of the education provided, requiring accountability on the part of the institutions providing that education and working diligently to examine the issue of skyrocketing costs within postsecondary education. In addition, within the reauthorization of the HEA, the Committee will work with Historically Black Colleges and Universities as well as Hispanic-Serving Institutions to review opportunities to strengthen and improve aid to these institutions.

Department of Labor Issues: The Committee will continue its oversight of the various programs and statutes administered by the Department of Labor, including the administration of the Occupational Safety and Health Act. The Committee also expects to monitor and review the Department of Labor's regulatory initiatives with respect to the Fair Labor Standards Act of 1938, the Family and Medical Leave Act, and the improvements to the union reporting requirements under title II of the Labor-Management Reporting and Disclosure Act of 1959.

Retirement Security: The Committee will continue to monitor the Department of Labor's activities with respect to its efforts to protect the integrity of private pension and welfare plans. In addition, the Committee will continue its oversight of the Pension Benefit and Guaranty Corporation.

In addition, the Committee reserves the right to review and investigate general legislative, administrative and regulatory issues affecting the jurisdiction of the Committee.

II. HEARINGS HELD BY THE COMMITTEE

108th Congress, First Session

February 12, 2003—Hearing on “Back to Work: the Administration’s Plan for Economic Recovery and the Workforce Investment Act” (108–1)

February 18, 2003—Field Hearing on “H.R. 444, the Back to Work Incentive Act” in Las Vegas, Nevada (108–3)

May 1, 2003—Joint Hearing on “Coordinating Human Services Transportation” with the Committee on Transportation and Infrastructure (108–13)

May 13, 2003—Hearing on “The State of American Higher Education: What Are Parents, Students, and Taxpayers Getting for Their Money” (108–15)

June 17, 2003—Hearing on “The ULLICO Scandal and its Implications for U.S. Workers” (108–19)

September 4, 2003—Hearing on “Strengthening Pension Security and Defined Benefit Plans: Examining the Financial Health of the Pension Benefit Guaranty Corporation” (108–29)

October 7, 2003—Hearing on Improving the Quality and Efficiency of Commodity Distribution to Federal Child Nutrition Programs (108–36)

October 29, 2003—Hearing on “The Pension Underfunding Crisis: How Effective Have Reforms Been?” (108–40)

108th Congress, Second Session

February 25, 2004—Hearing on “Strengthening Pension Security for All Americans: Are Workers Prepared for a Safe and Secure Retirement?” (108–44)

March 3, 2004—Hearing on “No Child Left Behind: Improving Results for Children with Disabilities” (108–45)

March 8, 2004—Field Hearing on “The Status of No Child Left Behind Implementation in Ohio,” in Columbus, Ohio (108–46)

March 11, 2004—Hearing on The Changing Nature of the Economy: The Critical Roles of Education and Innovation in Creating Jobs & Opportunity in a Knowledge Economy (108–47)

March 17, 2004—Hearing on “Fiscal Responsibility and Federal Consolidation Loans: Examining Cost Implications for Taxpayers, Students, and Borrowers” (108–48)

April 15, 2004—Field Hearing on No Child Left Behind: Improving Academic Achievement Through Flexibility and Accountability for Schools, in Augusta, Georgia (108–50)

April 21, 2004—Hearing on The Importance of Highly Qualified Teachers in Raising Academic Achievement (108–51)

April 28, 2004—Hearing on “Assessing the Impact of the Labor Department’s Final Overtime Regulations on Workers and Employers” (108–54)

May 12, 2004—Hearing on H.R. 4283, the College Access & Opportunity Act (108–58)

June 16, 2004—Hearing on “H.R. 4283, the College Access & Opportunity Act: Are Students at Proprietary Institutions Treated Equitably Under Current Law?” (108–63)

June 23, 2004—Hearing on “No Child Left Behind: Raising Student Achievement in America’s Big City Schools” (108–65)

July 7, 2004—Hearing on “Examining Cash Balance Pension Plans: Separating Myth from Fact” (108–67)

July 13, 2004—Hearing on “H.R. 4283, the College Access & Opportunity Act: Increasing the Focus on Graduation Rates and Student Outcomes” (108–68)

III. MARKUPS HELD BY THE COMMITTEE

108th Congress, First Session

February 5, 2003—Organizational Meeting. Committee Rules for the 108th Congress were adopted, as amended by voice vote. The Oversight Plan was adopted by voice vote. Majority Subcommittee Assignments along with Subcommittee Ranking Minority Members were announced.

February 13, 2003—H.R. 13, Museum and Library Services Act of 2003 was ordered favorably reported by voice vote. H.R. 14, Keeping Children and Families Safe Act of 2003 was ordered favorably reported, as amended, by voice vote.

March 5, 2003—H.R. 444, Back to Work Incentive Act of 2003 was ordered favorably reported, as amended, by a vote of 23–22 with 1 Member voting Present.

March 5, 6, 2003—H.R. 1000, Pension Security Act of 2003 was ordered favorably reported, as amended, by a vote of 29–19.

March 26, 27, 2003—H.R. 1261, Workforce Reinvestment and Adult Education Act of 2003 was ordered favorably reported, as amended, by a vote of 26–21.

April 9, 2003—H.R. 1119, Family Time Flexibility Act was ordered favorably reported by a vote of 27–22.

April 9, 10, 2003—H.R. 1350, Improving Education Results for Children With Disabilities Act of 2003 was ordered favorably reported, as amended, by a vote of 29–19.

May 15, 2003—H.R. 1925, Runaway, Homeless and Missing Children Protection Act was ordered favorably reported, as amended, by voice vote. H.R. 1170, Child Medication Safety Act of 2003 was ordered favorably reported, as amended, by voice vote.

June 10, 2003—H.R. 2211, Ready to Teach Act of 2003 was ordered favorably reported, as amended, by voice vote. H.R. 438, Teacher Recruitment and Retention Act of 2003 was ordered favorably reported, as amended, by voice vote.

June 11, 12, 2003—H.R. 660, Small Business Health Fairness Act of 2003 was ordered favorably reported, as amended, by a vote of 26–21.

June 18, 19, 2003—H.R. 2210, School Readiness Act of 2003 was ordered favorably reported, as amended, by a vote of 27–20.

September 25, 2003—H. Con. Res. 282, Honoring the life of Johnny Cash was ordered favorably reported by unanimous consent. H.R. 3076, Graduate Opportunities in Higher Education Act of 2003 was ordered favorably reported, as amended, by voice vote. H.R. 3077, International Studies in Higher Education Act of 2003 was ordered favorably reported, as amended, by voice vote.

October 1, 2003—H.R. 3030, Improving the Community Services Block Grant Act of 2003 was ordered favorably reported, as amended by a vote of 28–20.

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March 10, 2004—H.R. 3873, The Child Nutrition Improvement and Integrity Act was ordered favorably reported, as amended by a vote of 42–0.

May 5, 2004—H.R. 2728, Occupational Safety and Health Small Business Day in Court Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20. H.R. 2729, Occupational Safety and Health Review Commission Efficiency Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20. H.R. 2730, Occupational Safety and Health Independent Review of OSHA Citations Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20. H.R. 2731, Occupational Safety and Health Small Employer Access to Justice Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20.

May 19, 2004—H.R. 4278, Improving Access to Assistive Technology for Individuals with Disabilities Act of 2004 was ordered favorably reported, as amended, by voice vote.

July 21, 2004—H.R. 4496, Vocational and Technical Education for the Future Act was ordered favorably reported, as amended, by voice vote.

IV. LEGISLATIVE ACTIVITIES

A. LEGISLATION ENACTED INTO LAW (BILLS REFERRED TO COMMITTEE)

1. H.R. 13 (Public Law 108–81) To reauthorize the Museum and Library Services Act, and for other purposes. Sponsor: Rep Hoekstra, Peter

2. H.R. 14 To amend the Child Abuse Prevention and Treatment Act to make improvements to and reauthorize programs under that Act, and for other purposes. Sponsor: Rep Hoekstra, Peter. H.R. 14se 108 was enacted in Public Law 108–36 (S. 342).

3. H.R. 421 (Public Law 108–160) To reauthorize the United States Institute for Environmental Conflict Resolution, and for other purposes. Sponsor: Rep Kolbe, Jim

4. H.R. 438, Teacher Recruitment and Retention Act of 2003. Sponsor: Rep Wilson, Joe. Provisions of H.R. 438 were enacted in Public Law 108–409 (H.R. 5186).

5. H.R. 464, IDEA Paperwork Reduction Act of 2003. Sponsor: Rep Keller, Ric. Provisions of H.R. 464 were enacted in Public Law 108–446 (H.R. 1350).

6. H.R. 490, Instructional Materials Accessibility Act of 2003. Sponsor: Rep Petri, Thomas E. Provisions of H.R. 490 were enacted in Public Law 108–446 (H.R. 1350).

7. H.R. 1104, to prevent child abduction, and for other purposes. Sponsor: Rep Sensenbrenner, F. James, Jr. H.R. 1104 was enacted in Public Law 108–21 (S. 151).

8. H.R. 1170, Child Medication Safety Act of 2003. Sponsor: Rep Burns, Max. Provisions of H.R. 1170 were enacted in Public Law 108–446 (H.R. 1350).

9. H.R. 1350 (Public Law 108–446) Individuals with Disabilities Education Improvement Act of 2004. Sponsor: Rep Castle, Michael N.

10. H.R. 1373, IDEA Parental Choice Act of 2003. Sponsor: Rep DeMint, Jim. Provisions of H.R. 1373 were enacted in Public Law 108–446 (H.R. 1350).

11. H.R. 1412 (Public Law 108–76) To provide the Secretary of Education with specific waiver authority to respond to a war or other military operation or national emergency. Sponsor: Rep Kline, John

12. H.R. 1413, To provide benefits for certain individuals with injuries resulting from administration of a smallpox vaccine, and for other purposes. Sponsor: Rep Burr, Richard. H.R. 1413 was enacted in Public Law 108–20 (H.R. 1770).

13. H.R. 1463, To provide benefits for certain individuals with injuries resulting from administration of a smallpox vaccine, and for other purposes. Sponsor: Rep Burr, Richard. H.R. 1463 was enacted in Public Law 108–20 (H.R. 1770).

14. H.R. 1770 (Public Law 108–20) To provide benefits and other compensation for certain individuals with injuries resulting from administration of smallpox countermeasures, and for other purposes. Sponsor: Rep Burr, Richard

15. H.R. 1925 (Public Law 108–96) To reauthorize programs under the Runaway and Homeless Youth Act and the Missing Children's Assistance Act, and for other purposes. Sponsor: Rep Gingrey, Phil

16. H.R. 1943, To amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products, and for other purposes. Sponsor: Rep Pitts, Joseph R. H.R. 1943 was enacted in P.L. 108–199 (H.R. 2673).

17. H.R. 2023 (Public Law 108–377) Asthmatic Schoolchildren's Treatment and Health Management Act of 2004. Sponsor: Rep Stearns, Cliff

18. H.R. 2359, To extend the basic pilot program for employment eligibility verification, and for other purposes. Sponsor: Rep Calvert, Ken. H.R. 2359 was enacted in Public Law 108–156 (S. 1685).

19. H.R. 2552, To improve the manner in which the Corporation for National and Community Service approves, and records obligations relating to, national service positions. Sponsor: Rep Van Hollen, Chris. H.R. 2552 was enacted in Public Law 108–45 (S. 1276).

20. H.R. 3108 (Public Law 108–218) To amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and for other purposes. Sponsor: Rep Boehner, John A.

21. H.R. 3232 (Public Law 108–134) to reauthorize certain school lunch and child nutrition programs through March 31, 2004. Sponsor: Rep Castle, Michael N.

22. H.R. 3504 (Public Law 108–267) To amend the Indian Self-Determination and Education Assistance Act to redesignate the American Indian Education Foundation as the National Fund for Excellence in American Indian Education. Sponsor: Rep Renzi, Rick

23. H.R. 3797 (Public Law 108–386) 2004 District of Columbia Omnibus Authorization Act.

24. H.R. 3908 (Public Law 108–305) To provide for the conveyance of the real property located at 1081 West Main Street in Ravenna, Ohio. Sponsor: Rep Ryan, Tim

25. H.R. 3521, Tax Relief Extension Act of 2003. Sponsor: Rep Thomas, Bill, H.R. 3521 (Title II, sec. 2001, Temporary Replacement of 30-year Treasury Rate) was enacted in Public Law 108–218 (H.R. 3108).

26. H.R. 3966, “ROTC and Military Recruiter Equal Access to Campus Act of 2004.” Provisions were enacted in sec. 552 of Public Law 108–375 (H.R. 4200).

27. H.R. 4278 (Public Law 108–364) To amend the Assistive Technology Act of 1998 to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes. Sponsor: Rep McKeon, Howard P. (Buck)

28. H.R. 5131 (Public Law 108–406) Special Olympics Sport and Empowerment Act of 2004 Sponsor: Rep Blunt, Roy

29. H.R. 5185 (Public Law 108–366) Higher Education Extension Act of 2004. Sponsor: Rep Boehner, John A.

30. H.R. 5186 (Public Law 108–409) Taxpayer-Teacher Protection Act of 2004. Sponsor: Rep Boehner, John A.

31. H.R. 5360 (Public Law 108–474) American History and Civics Education Act of 2004 Sponsor: Rep Wicker, Roger F.

32. H.R. 5365 (Public Law 108–476). To treat certain arrangements maintained by the YMCA Retirement Fund as church plans for the purposes of certain provisions of the Internal Revenue Code of 1986, and for other purposes. Sponsor: Rep English, Phil

33. S. 163, A bill to reauthorize the United States Institute for Environmental Conflict Resolution, and for other purposes. Sponsor: Sen McCain, John. S. 163 was enacted in Public Law 108–160 (H.R. 421).

34. S. 570 (Public Law 108–98) A bill to amend the Higher Education Act of 1965 with respect to the qualifications of foreign schools. Sponsor: Sen Ensign, John E.

35. S. 870 (Public Law 108–30) A bill to amend the Richard B. Russell National School Lunch Act to extend the availability of funds to carry out the fruit and vegetable pilot program. Sponsor: Sen Harkin, Tom

36. S. 1814 (Public Law 108–341) A bill to transfer federal lands between the Secretary of Agriculture and the Secretary of the Interior. Sponsor: Sen Bond, Christopher S.

B. LEGISLATION ENACTED INTO LAW (BILLS NOT REFERRED TO COMMITTEE)

1. H.J. Res. 63 (Public Law 108–188) A joint resolution to approve the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia, and the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands, and to appropriate funds to carry out the amended Compacts.” Sponsor: Rep Leach, James A. Contains a provision on Supplemental Education Grants (Title I, sec. 105).

2. H.R. 1 (Public Law 108-173) An act to amend title XVIII of the Social Security Act to provide for a voluntary prescription drug benefit under the medicare program and to strengthen and improve the medicare program, and for other purposes. Sponsor: Rep Hastert, J. Dennis. Contains provisions for a study on employment-based retiree health coverage Title I (sec. 111); and a provision regarding the establishment of a Citizens' Health Care Working Group (Title X sec. 1014).

3. H.R. 1308 (Public Law 108-311) An act to amend the Internal Revenue Code of 1986 to provide tax relief for working families, and for other purposes. Sponsor: Rep Thomas, William M. Contains a provision to extend mental health parity for one year (sec. 302).

4. H.R. 1588 (Public Law 108-136) To authorize appropriations for fiscal year 2004 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes. Sponsor: Rep Hunter, Duncan. Contains provisions in Title II, Subtitle D—Other Matters (sec. 233); Title V—Military Personnel Policy (sections, 536, 537, 543, 563); Title VII—Health Care Provisions (sec. 701); Title VIII—Acquisition Policy, Acquisition Management and Related Matters (sec. 852); and Title IX—Department of Defense Organization and Management (sections, 925, 926, and 932).

5. H.R. 2350 (Public Law 108-40) To reauthorize the Temporary Assistance for Needy Families block grant program through fiscal year 2003, and for other purposes. Sponsor: Rep Herger, Wally. Contains provisions to extend programs under the committee's jurisdiction.

6. H.R. 2673, (Public Law 108-199) Consolidated Appropriations Act, 2004. Incorporates H.R. 1943, To amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products, and for other purposes (Division E, Title I).

7. H.R. 3146 (Public Law 108-89) To extend the Temporary Assistance for Needy Families block grant program, and certain tax and trade programs, and for other purposes. Sponsor: Rep Thomas, William M. Contains provisions to extend programs under the committee's jurisdiction.

8. H.R. 4200 (Public Law 108-375) To authorize appropriations for fiscal year 2005 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes. Sponsor: Rep Hunter, Duncan. Contains provisions in Title V, Military Personnel Policy (sections 524, 552, 558, 559, 560); Title VIII—Acquisition Policy, Acquisition Management, and Related Matters (sec. 853); Title X—General Provisions (sec. 1087); Title XXVIII—General Provisions (sec. 2896); and Title XXXI, Subtitle E—Energy Employees Occupational Illness Compensation Program (sections 3161-3170).

9. H.R. 4520 (Public Law 108-357) To amend the Internal Revenue Code of 1986 to remove impediments in such Code and make our manufacturing, service, and high-technology businesses and workers more competitive and productive both at home and abroad. Sponsor: Rep Thomas, William M. Contains a provision regarding modification of minimum cost requirement for transfer of excess pension assets (sec. 709).

10. H.R. 4548 (Public Law 108–487) To authorize appropriations for fiscal year 2005 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes. Sponsor: Rep Goss, Porter J. Contains provisions in Title VI including: Subtitle A—National Security Education Program (sec. 601–603); and Subtitle B—Improvement in Intelligence Community Foreign Language Skills (sec. 611–615).

11. H.R. 4589 (Public Law 108–262) To reauthorize the Temporary Assistance for Needy Families block grant program through September 30, 2004, and for other purposes. Sponsor: Rep Herger, Wally. Contains provisions to extend programs under the committee's jurisdiction.

12. H.R. 5149 (Public Law No: 108–308) To reauthorize the Temporary Assistance for Needy Families block grant program through March 31, 2005, and for other purposes. Sponsor: Rep Herger, Wally. Contains provisions to extend programs under the committee's jurisdiction.

13. S. 151/H.R. 1104 (Public Law 108–21) An Act to prevent child abduction and the sexual exploitation of children, and for other purposes. Sponsor: Sen Hatch, Orrin G.

14. S. 286 (Public Law 108–154) Birth Defects and Developmental Disabilities Prevention Act of 2003. Sponsor: Sen Bond, Christopher S. Contains provisions under the committee's jurisdiction regarding the Family Educational Rights and Privacy Act.

15. S. 342/H.R. 14 (Public Law 108–36) A bill to amend the Child Abuse Prevention and Treatment Act to make improvements to and reauthorize programs under that Act, and for other purposes. Sponsor: Sen Gregg, Judd

16. S. 1276/H.R. 2552 (Public Law 108–45) A bill to improve the manner in which the Corporation for National and Community Service approves, and records obligations relating to, national service positions. Sponsor: Sen Bond, Christopher S.

17. S. 1685/H.R. 2359 (Public Law 108–156) A bill to extend and expand the basic pilot program for employment eligibility verification, and for other purposes. Sponsor: Sen Grassley, Charles E.

18. S. 1929 (Public Law 108–197) A bill to amend the Employee Retirement Income Security Act of 1974 and the Public Health Service Act to extend the mental health benefits parity provisions for an additional year. Sponsor: Sen Gregg, Judd

19. S. 2231 (Public Law 108–210) A bill to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes. Sponsor: Sen Grassley, Charles E. Contains provisions to extend programs under the committee jurisdiction.

20. S. 2241 (Public Law 108–211) A bill to reauthorize certain school lunch and child nutrition programs through June 30, 2004. Sponsor: Sen Cochran, Thad

21. S. 2507/H.R. 3873 (Public Law 108–265) An original bill to amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to reauthorize child nu-

trition programs, and for other purposes. Sponsor: Sen Cochran, Thad

22. S. 2845/H.R. 10 (Public Law 108–458) A bill to reform the intelligence community and the intelligence and intelligence-related activities of the United States Government, and for other purposes. Sponsor: Sen Collins, Susan M. Contains provisions in Title I, Subtitle D—Improvement of Education for the Intelligence Community (sections 1041–1043); Title VI, Subtitle E—Criminal History Background Checks (sections 6401–6403); and Title VII, Subtitle A—Diplomacy, Foreign Aid, and the Military in the War on Terrorism (sec. 7113).

C. LEGISLATION PASSED THE HOUSE (BILLS REFERRED TO COMMITTEE)

1. H. Con. Res. 13, Recognizing the importance of blues music, and for other purposes. Sponsor: Rep Ford, Harold E., Jr.

2. H. Con. Res. 62, Expressing the sense of Congress that Katherine Dunham should be recognized for her groundbreaking achievements in dance, theater, music, and education, as well as for her work as an activist striving for racial equality throughout the world. Sponsor: Rep Rangel, Charles B.

3. H. Con. Res. 63, Expressing the sense of Congress that Lionel Hampton should be honored for his contributions to American music. Sponsor: Rep Rangel, Charles B.

4. H. Con. Res. 94, Expressing the sense of the Congress that community inclusion and enhanced lives for individuals with mental retardation or other developmental disabilities is at serious risk because of the crisis in recruiting and retaining direct support professionals, which impedes the availability of a stable, quality direct support workforce. Sponsor: Rep Sessions, Pete

5. H. Con. Res. 131, Expressing the sense of the Congress that student travel is a vital component of the educational process. Sponsor: Rep Norton, Eleanor Holmes

6. H. Con. Res. 142, Congratulating the Syracuse University men's basketball team for winning the 2003 NCAA Division I men's basketball national championship. Sponsor: Rep Walsh, James T.

7. H. Con. Res. 144, Expressing the sense of Congress that Dinah Washington should be recognized for her achievements as one of the most talented vocalists in American popular music history. Sponsor: Rep Rangel, Charles B.

8. H. Con. Res. 282, Honoring the life of Johnny Cash. Sponsor: Rep Cooper, Jim

9. H. Con. Res. 355, Congratulating the University of Delaware men's football team for winning the National Collegiate Athletic Association I-AA national championship. Sponsor: Rep Castle, Michael N.

10. H. Con. Res. 373, Expressing the sense of Congress that Kids Love a Mystery is a program that promotes literacy and should be encouraged. Sponsor: Rep Miller, George

11. H. Con. Res. 380, Recognizing the benefits and importance of school-based music education. Sponsor: Rep Cooper, Jim

12. H. Con. Res. 408, Congratulating the University of Denver men's hockey team for winning the 2004 NCAA men's hockey national championship, and for other purposes. Sponsor: Rep DeGette, Diana

13. H. Con. Res. 413, Honoring the contributions of the women, symbolized by “Rosie the Riveter”, who served on the homefront during World War II, and for other purposes. Sponsor: Rep Capito, Shelley Moore

14. H. Con. Res. 449, Honoring the life and accomplishments of Ray Charles, recognizing his contributions to the Nation, and extending condolences to his family on his death. Sponsor: Rep Burns, Max

15. H. Con. Res. 501, Honoring the life and work of Duke Ellington, recognizing the 30th anniversary of the Duke Ellington School of the Arts, and supporting the annual Duke Ellington Jazz Festival. Sponsor: Rep Norton, Eleanor Holmes

16. H. Res. 10, Congratulating the Ohio State University football team for winning the 2002 NCAA Division I-A collegiate football national championship. Sponsor: Rep Pryce, Deborah

17. H. Res. 13, Congratulating the Grand Valley State University Lakers for winning the 2002 NCAA Division II Football National Championship. Sponsor: Rep Hoekstra, Peter

18. H. Res. 17, Honoring the Hilltoppers of Western Kentucky University from Bowling Green, Kentucky, for winning the 2002 National Collegiate Athletic Association Division I-AA football championship. Sponsor: Rep Lewis, Ron

19. H. Res. 25, Supporting efforts to promote greater awareness of the need for youth mentors and increased involvement with youth through mentoring. Sponsor: Rep Osborne, Tom

20. H. Res. 26, Honoring the contributions of Catholic schools. Sponsor: Rep Vitter, David

21. H. Res. 41, Congratulating the University of Portland women’s soccer team for winning the 2002 NCAA Division I national championship. Sponsor: Rep Blumenauer, Earl

22. H. Res. 66, Supporting responsible fatherhood and encouraging greater involvement of fathers in the lives of their children, especially on Father’s Day. Sponsor: Rep Sullivan, John

23. H. Res. 106, Congratulating Lutheran schools, students, parents, teachers, administrators, and congregations across the Nation for their ongoing contributions to education, and for other purposes. Sponsor: Rep Bereuter, Doug

24. H. Res. 107, Commending and supporting the efforts of Students in Free Enterprise (SIFE), the world’s preeminent collegiate free enterprise organization. Sponsor: Rep Boozman, John

25. H. Res. 113, Recognizing the social problem of child abuse and neglect, and supporting efforts to enhance public awareness of the problem. Sponsor: Rep Hayworth, J. D.

26. H. Res. 161, Recognizing the achievements of Operation Respect and the “Don’t laugh At Me” programs. Sponsor: Rep Miller, George

27. H. Res. 171, Commending the University of Minnesota Duluth Bulldogs for winning the NCAA 2003 National Collegiate Women’s Ice Hockey Championship. Sponsor: Rep Oberstar, James L.

28. H. Res. 186, Recognizing the 100th anniversary of the founding of the Laborers’ International Union of North America and congratulating the members and officers of the Laborers’ International Union of North America for the Union’s many achievements. Sponsor: Rep Miller, George

29. H. Res. 187, Congratulating the University of Connecticut Huskies for winning the 2003 National Collegiate Athletic Association Division I women's basketball championship. Sponsor: Rep Simmons, Rob

30. H. Res. 204, Congratulating charter schools across the United States, and the students, parents, teachers, and administrators of such schools, for their ongoing contributions to education, and for other purposes. Sponsor: Rep Porter, Jon C.

31. H. Res. 217, Commending the University of Minnesota Golden Gophers for winning the 2003 National Collegiate Athletic Association Division I Men's Ice Hockey Championship. Sponsor: Rep Sabo, Martin Olav

32. H. Res. 266, Commending the Clemson University Tigers men's golf team for winning the 2003 National Collegiate Athletic Association Division I Men's Golf Championship. Sponsor: Rep Barrett, J. Gresham

33. H. Res. 300, Recognizing the outstanding contributions of the faculty, staff, students, and alumni of Christian colleges and universities. Sponsor: Rep Hoekstra, Peter

34. H. Res. 378, Recognizing the more than 200 independent colleges and universities that together have addressed the need to help families pay for the increasing cost of attending college by creating the first nationwide prepaid tuition plan. Sponsor: Rep Granger, Kay

35. H. Res. 379, Honoring the Rice University Owls baseball team for winning the NCAA baseball championship. Sponsor: Rep Bell, Chris

36. H. Res. 391, Congratulating the University of Illinois Fighting Illini men's tennis team for its successful season. Sponsor: Rep Johnson, Timothy V.

37. H. Res. 411, Expressing the sense of the House that John Wooden should be honored for his contributions to sports and education. Sponsor: Rep Lewis, Jerry

38. H. Res. 438, Congratulating John Gagliardi, football coach of St. John's University, on the occasion of his becoming the all-time winningest coach in collegiate football history. Sponsor: Rep Kennedy, Mark R.

39. H. Res. 491, Honoring individuals who are mentors and supporting efforts to recruit more mentors. Sponsor: Rep Osborne, Tom

40. H. Res. 492, Honoring the contributions of Catholic schools. Sponsor: Rep Vitter, David

41. H. Res. 493, Congratulating the St. John's University, Collegeville, Minnesota, football team on winning the 2003 NCAA Division III Football National Championship. Sponsor: Rep Kennedy, Mark R.

42. H. Res. 496, Commending the Louisiana State University Tigers football team for winning the 2003 Bowl Championship Series national championship game, and commending the Southern University Jaguars football team for winning the 2003 SBN Black College National Football Championship. Sponsor: Rep Baker, Richard H.

43. H. Res. 497, Commending the Wake Forest University Demon Deacons field hockey team for winning the 2003 National Collegiate Athletic Association Division I Field Hockey Championship. Sponsor: Rep Burr, Richard

44. H. Res. 498, Congratulating the Grand Valley State University Lakers football team for winning the 2003 National Collegiate Athletic Association Division II Football National Championship. Sponsor: Rep Hoekstra, Peter

45. H. Res. 511, Recognizing the accomplishments of the University of Southern California's football, women's volleyball, and men's water polo teams. Sponsor: Rep Watson, Diane E.

46. H. Res. 594, Congratulating the Kennesaw State University Owls for winning the 2004 NCAA Division II Men's Basketball National Championship, and for other purposes. Sponsor: Rep Isakson, Johnny

47. H. Res. 598, Recognizing the valuable contributions of military impacted schools, teachers, administration, and staff for their ongoing contributions to the education of military children. Sponsor: Rep Hayes, Robin

48. H. Res. 599, Congratulating the University of Connecticut Huskies for winning the 2004 National Collegiate Athletic Association Division I men and women's basketball championships. Sponsor: Rep Simmons, Rob

49. H. Res. 600, Congratulating charter schools and their students, parents, teachers, and administrators across the United States for their ongoing contributions to education, and for other purposes. Sponsor: Rep Porter, Jon C.

50. H. Res. 605, Recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, improving training and support for individuals with autism and those who care for individuals with autism, and for other purposes. Sponsor: Rep Tierney, John F.

51. H. Res. 630, Commending the University of Minnesota Golden Gophers for winning the 2003–2004 National Collegiate Athletic Association Division I National Collegiate Women's Ice Hockey Championship. Sponsor: Rep Sabo, Martin Olav

52. H. Res. 634, Congratulating the Kenyon College Ladies swimming and diving team for winning the 2004 National Collegiate Athletic Association Division III Women's Swimming and Diving National Championship. Sponsor: Rep Ney, Robert W.

53. H. Res. 635, Congratulating the Kenyon College Lords swimming and diving team for winning the 2004 National Collegiate Athletic Association Division III Men's Swimming and Diving National Championship. Sponsor: Rep Ney, Robert W.

54. H. Res. 643, Congratulating the Brigham Young University men's volleyball team for winning the 2004 National Collegiate Athletic Association Division I–II men's volleyball championship. Sponsor: Rep Cannon, Chris

55. H. Res. 676, Recognizing and honoring the 40th anniversary of congressional passage of the Civil Rights Act of 1964. Sponsor: Rep Norton, Eleanor Holmes

56. H. Res. 704, Congratulating the California State University, Fullerton Titans baseball team for winning the 2004 National Collegiate Athletic Association Division I College World Series. Sponsor: Rep Royce, Edward R.

57. H. Res. 714, Honoring Sandra Feldman on the occasion of her retirement from the presidency of the American Federation of Teachers for her tireless efforts to improve the quality of teaching and learning. Sponsor: Rep Miller, George

58. H. Res. 759, Commending the Festival of Children Foundation for its outstanding efforts on behalf of children. Sponsor: Rep Rohrabacher, Dana

59. H. Res. 778, Commemorating the 100th anniversary of the birth of William "Count" Basie and acknowledging his important contributions to jazz and swing music. Sponsor: Rep Pallone, Frank, Jr.

60. H. Res. 792, Honoring the United Negro College Fund on the occasion of the Fund's 60th anniversary and the Fund's unflagging dedication to enhancing top quality college opportunities to millions of students. Sponsor: Rep Miller, George

61. H. Res. 805, Supporting efforts to promote greater public awareness of effective runaway youth prevention programs and the need for safe and productive alternatives, resources, and supports for youth in high-risk situations. Sponsor: Rep Porter, Jon C.

62. H. Res. 809, Supporting the goals and ideals of "Lights On Afterschool, a national celebration of after-school programs. Sponsor: Rep Kildee, Dale E.

63. H.R. 4, To reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes. Sponsor: Rep Pryce, Deborah.

64. H.R. 6, To enhance energy conservation and research and development, to provide for security and diversity in the energy supply for the American people, and for other purposes. Sponsor: Rep Tauzin, W. J. (Billy)

65. H.R. 7, To amend the Internal Revenue Code of 1986 to provide incentives for charitable contributions by individuals and businesses, and for other purposes. Sponsor: Rep Blunt, Roy

66. H.R. 10, To provide for reform of the intelligence community, terrorism prevention and prosecution, border security, and international cooperation and coordination, and for other purposes. Sponsor: Rep Hastert, J. Dennis

67. H.R. 13, To reauthorize the Museum and Library Services Act, and for other purposes. Sponsor: Rep Hoekstra, Peter

68. H.R. 14, To amend the Child Abuse Prevention and Treatment Act to make improvements to and reauthorize programs under that Act, and for other purposes. Sponsor: Rep Hoekstra, Peter

69. H.R. 421, Environmental Policy and Conflict Resolution Advancement Act of 2003. Sponsor: Rep Kolbe, Jim

70. H.R. 438, To increase the amount of student loans that may be forgiven for teachers in mathematics, science, and special education. Sponsor: Rep Wilson, Joe

71. H.R. 444, To amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work; to reauthorize title II of the Higher Education Act of 1965; to amend title VII of the Higher Education Act of 1965 to ensure graduate opportunities in postsecondary education. Sponsor: Rep Porter, Jon C

72. H.R. 620, To authorize the Secretary of the Interior to provide supplemental funding and other services that are necessary to assist the State of California or local educational agencies in California in providing educational services for students attending

schools located within the Park. Sponsor: Rep Radanovich, George P.

73. H.R. 660, To amend title I of the Employee Retirement Income Security Act of 1974 to improve access and choice for entrepreneurs with small businesses with respect to medical care for their employees. Sponsor: Rep Fletcher, Ernie

74. H.R. 1000, To amend title I of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide additional protections to participants and beneficiaries in individual account plans from excessive investment in employer securities and to promote the provision of retirement investment advice to workers managing their retirement income assets. Sponsor: Rep Boehner, John A.

75. H.R. 1104, To prevent child abduction, and for other purposes. Sponsor: Rep Sensenbrenner, F. James, Jr.

76. H.R. 1170, To protect children and their parents from being coerced into administering a controlled substance in order to attend school, and for other purposes. Sponsor: Rep Burns, Max

77. H.R. 1261, To enhance the workforce investment system of the Nation by strengthening one-stop career centers, providing for more effective governance arrangements, promoting access to a more comprehensive array of employment, training, and related services, establishing a targeted approach to serving youth, and improving performance accountability, and for other purposes. Sponsor: Rep McKeon, Howard P. (Buck)

78. H.R. 1350, To reauthorize the Individuals with Disabilities Education Act, and for other purposes. Sponsor: Rep Castle, Michael N.

79. H.R. 1412, To provide the Secretary of Education with specific waiver authority to respond to a war or other military operation or national emergency. Sponsor: Rep Kline, John

80. H.R. 1770, To provide benefits and other compensation for certain individuals with injuries resulting from administration of smallpox countermeasures, and for other purposes. Sponsor: Rep Burr, Richard

81. H.R. 1925, To reauthorize programs under the Runaway and Homeless Youth Act and the Missing Children's Assistance Act, and for other purposes. Sponsor: Rep Gingrey, Phil

82. H.R. 2023, To give a preference regarding States that require schools to allow students to self-administer medication to treat that student's asthma or anaphylaxis, and for other purposes. Sponsor: Rep Stearns, Cliff.

83. H.R. 2210, To reauthorize the Head Start Act to improve the school readiness of disadvantaged children, and for other purposes. Sponsor: Rep Castle, Michael N.

84. H.R. 2211, To reauthorize title II of the Higher Education Act of 1965. Sponsor: Rep Gingrey, Phil

85. H.R. 2728, Occupational Safety and Health Small Business Day in Court Act of 2003. Sponsor: Rep Norwood, Charlie

86. H.R. 2729, To amend the Occupational Safety and Health Act of 1970 to provide for greater efficiency at the Occupational Safety and Health Review Commission. Sponsor: Rep Norwood, Charlie

87. H.R. 2730, To amend the Occupational Safety and Health Act of 1970 to provide for an independent review of citations issued by

the Occupational Safety and Health Administration. Sponsor: Rep Norwood, Charlie

88. H.R. 2731, To amend the Occupational Safety and Health Act of 1970 to provide for the award of attorney's fees and costs to very small employers when they prevail in litigation prompted by the issuance of citations by the Occupational Safety and Health Administration. Sponsor: Rep Norwood, Charlie

89. H.R. 3030, To amend the Community Service Block Grant Act to provide for quality improvements. Sponsor: Rep. Osborne, Tom

90. H.R. 3076, To amend title VII of the Higher Education Act of 1965 to ensure graduate opportunities in postsecondary education, and for other purposes. Sponsor: Rep Hoekstra, Peter

91. H.R. 3077, To amend title VI of the Higher Education Act of 1965 to enhance international education programs. Sponsor: Rep Hoekstra, Peter

92. H.R. 3108, To amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to temporarily replace the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements and other provisions, and for other purposes. Sponsor: Rep Boehner, John A.

93. H.R. 3232, To reauthorize certain school lunch and child nutrition programs through March 31, 2004. Sponsor: Rep Castle, Michael N.

94. H.R. 3504, To amend the Occupational Safety and Health Act of 1970 to provide for the award of attorney's fees and costs to very small employers when they prevail in litigation prompted by the issuance of citations by the Occupational Safety and Health Administration. Sponsor: Rep Norwood, Charlie

95. H.R. 3521, To amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes. Sponsor: Rep Thomas, William M.

96. H.R. 3550, To authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes. Sponsor: Rep Young, Don

97. H.R. 3797, To authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes. Sponsor: Rep Young, Don

98. H.R. 3873, To amend the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1966 to provide children with access to food and nutrition assistance, to simplify program operations, to improve children's nutritional health, and to restore the integrity of child nutrition programs, and for other purposes. Sponsor: Rep Castle, Michael N.

99. H.R. 3908, To provide for the conveyance of the real property located at 1081 West Main Street in Ravenna, Ohio. Sponsor: Rep Ryan, Tim

100. H.R. 3966, To amend title 10, United States Code, to improve the ability of the Department of Defense to establish and maintain Senior Reserve Officer Training Corps units at institutions of higher education, to improve the ability of students to participate in Senior ROTC programs, and to ensure that institutions of higher education provide military recruiters entry to campuses and access to students that is at least equal in quality and scope

to that provided to any other employer. Sponsor: Rep Rogers, Mike D.

101. H.R. 4278, To amend the Assistive Technology Act of 1998 to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes. Sponsor: Rep McKeon, Howard P. (Buck)

102. H.R. 4281, To amend title I of the Employee Retirement Income Security Act of 1974 to improve access and choice for entrepreneurs with small businesses with respect to medical care for their employees. Sponsor: Rep Johnson, Sam

103. H.R. 4409, To reauthorize title II of the Higher Education Act of 1965. Sponsor: Rep Gingrey, Phil

104. H.R. 4411, To amend title VII of the Higher Education Act of 1965 to ensure graduate opportunities in postsecondary education, and for other purposes. Sponsor: Rep Burns, Max

105. H.R. 4503, To enhance energy conservation and research and development, to provide for security and diversity in the energy supply for the American people, and for other purposes. Sponsor: Rep Barton, Joe

106. H.R. 5131, To provide assistance to Special Olympics to support expansion of Special Olympics and development of education programs and a Healthy Athletes Program, and for other purposes. Sponsor: Rep Blunt, Roy

107. H.R. 5185, To temporarily extend the programs under the Higher Education Act of 1965. Sponsor: Rep Boehner, John A.

108. H.R. 5186, To temporarily extend the programs under the Higher Education Act of 1965. Sponsor: Rep Boehner, John A.

109. H.R. 5360, To authorize grants to establish academies for teachers and students of American history and civics, and for other purposes. Sponsor: Rep Wicker, Roger F.

110. H.R. 5365, To treat certain arrangements maintained by the YMCA Retirement Fund as church plans for the purposes of certain provisions of the Internal Revenue Code of 1986, and for other purposes. Sponsor: Rep English, Phil

111. S. 570, A bill to amend the Higher Education Act of 1965 with respect to the qualifications of foreign schools. Sponsor: Sen. Ensign, John E.

112. S. 870, A bill to amend the Richard B. Russell National School Lunch Act to extend the availability of funds to carry out the fruit and vegetable pilot program. Sponsor: Sen. Harkin, Tom

113. S. 1814, to temporarily extend the programs under the Higher Education Act of 1965. Sponsor: Rep Boehner, John A.

D. LEGISLATION PASSED THE HOUSE IN ANOTHER MEASURE

1. H.R. 14, Keeping Children and Families Safe Act of 2003 (CAPTA) passed the House in S. 342, Keeping Children and Families Safe Act of 2003 (CAPTA).

2. H.R. 423, To increase the amount of student loans that may be forgiven for teachers in mathematics, science, and special education. Provisions passed the House in H.R. 5186, To reduce certain special allowance payments and provide additional teacher loan forgiveness on Federal student loans.

3. H.R. 464, IDEA Paperwork Reduction Act of 2003. Provisions included in H.R. 1350, Improving Education Results for Children with Disabilities Act of 2003.

4. H.R. 660, Small Business Health Fairness Act of 2003 passed the House in H.R. 4281, Small Business Health Fairness Act of 2004 and subsequently in H.R. 4279, Small Business Health Fairness Act of 2004.

5. H.R. 1104, Child Abduction Prevention Act, passed the House in S. 151, Child Abduction Prevention Act.

6. H.R. 1170, Child Medication Safety Act of 2003. Provisions passed the House in H.R. 1350, Improving Education Results for Children with Disabilities Act of 2003.

7. H.R. 1373, IDEA Parental Choice Act of 2003. Provisions included in H.R. 1350, Improving Education Results for Children with Disabilities Act of 2003.

8. H.R. 1412, Higher Education Relief Opportunities for Students Act of 2003 (HEROES), passed the House in H.R. 1588, National Defense Authorization Act for Fiscal Year 2004 (Title XV).

9. H.R. 1413, Smallpox Emergency Personnel Protection Act of 2003, passed the House in H.R. 1770, Smallpox Emergency Personnel Protection Act of 2003.

10. H.R. 1463, Smallpox Emergency Personnel Protection Act of 2003, passed the House in H.R. 1770, Smallpox Emergency Personnel Protection Act of 2003.

11. H.R. 2211, Ready to Teach Act of 2003 passed the House in H.R. 4409, Teacher Training Enhancement Act and subsequently in H.R. 444.

12. H.R. 2359, Basic Pilot Extension Act of 2003. Provisions included in a similar bill S. 1685, Basic Pilot Program Extension and Expansion Act of 2003.

13. H.R. 2552, To improve the manner in which the Corporation for National and Community Service approves, and records obligations relating to, national service positions, passed the House in S. 1276, A bill to improve the manner in which the Corporation for National and Community Service approves, and records obligations relating to, national service positions.

14. The following bills passed the House in H.R. 2728, To amend the Occupational Safety and Health Act of 1970 to provide for adjudicative flexibility with regard to an employer filing of a notice of contest following the issuance of a citation by the Occupational Safety and Health Administration; to provide for greater efficiency at the Occupational Safety and Health Review Commission; to provide for an independent review of citations issued by the Occupational Safety and Health Administration; to provide for the award of attorney's fees and costs to very small employers when they prevail in litigation prompted by the issuance of citations by the Occupational Safety and Health Administration; and to amend the Paperwork Reduction Act and titles 5 and 31, United States Code, to reform Federal paperwork and regulatory processes:

- H.R. 2729, Occupational Safety and Health Review Commission Efficiency Act of 2004 (Title II)

- H.R. 2730, Occupational Safety and Health Independent Review of OSHA Citations Act of 2004 (Title III)

- H.R. 2731, Occupational Safety and Health Small Employer Access to Justice Act of 2004 (Title IV)

- H.R. 3076, Graduate Opportunities in Higher Education Act of 2003 passed House in H.R. 4411, Priorities for Graduate Studies Act of 2004 and then subsequently in H.R. 444.

15. Provisions of the following bills passed the House in H.R. 3873, Child Nutrition Improvement and Integrity Act:

- H.R. 2227, Obesity Prevention Act (section 302)
- H.R. 2592, Healthy America Act (sections 303, 307 and 404)
- H.R. 2626, Farm-To-Cafeteria Projects Act of 2003 (section 302)
- H.R. 2832, Healthy Nutrition for America's Children Act (section 307)
- H.R. 3120, Right to Know School Nutrition Act (section 502)
- H.R. 3232, To reauthorize certain school lunch and child nutrition programs for fiscal year 2004 (sections 101, 104, 105, and 504)
- H.R. 3250, Child Nutrition Improvement Act of 2003 (section 304)
- H.R. 3416, Healthy Children Through Better Nutrition Act of 2003
- H.R. 3869, Pride in the Lunch Line Act of 2004 (section 501)

16. H.R. 4281, Small Business Health Fairness Act of 2004 passed the House in H.R. 4279, Small Business Health Fairness Act of 2004.

17. The following bills passed the House in H.R. 444, To amend the Workforce Investment Act of 1998 to establish a Personal Reemployment Accounts grant program to assist Americans in returning to work; to reauthorize title II of the Higher Education Act of 1965; to amend title VII of the Higher Education Act of 1965 to ensure graduate opportunities in postsecondary education:

- H.R. 4444, Worker Reemployment Accounts Act of 2004 (Title I)
- H.R. 4409, Teacher Training Enhancement Act (Title II)
- H.R. 4411, Priorities for Graduate Studies Act of 2004 (Title III)
- H.R. 3521, Tax Relief Extension Act of 2003 (Title II, sec. 2001) passed the House in H.R. 3108, Pension Funding Equity Act of 2004.

18. H. Res. 158, To express the support and commitment of the U.S. House of Representatives for the troops serving to protect and defend the United States of America by encouraging actions to extend and protect their student financial aid for postsecondary education. Provisions incorporated into H.R. 1412, Higher Education Relief Opportunities for Students Act of 2003 (HEROES).

19. H. Res. 158, To express the support and commitment of the U.S. House of Representatives for the troops serving to protect and defend the United States of America by encouraging actions to extend and protect their student financial aid for postsecondary education. Provisions incorporated into H.R. 1588, National Defense Authorization Act for Fiscal Year 2004 (Title XV).

20. S. 163, Environmental Policy and Conflict Resolution Advancement Act of 2003. Provisions included in a similar bill H.R. 421, Environmental Policy and Conflict Resolution Advancement Act of 2003.

E. LEGISLATION PASSED THE HOUSE (BILLS NOT REFERRED TO COMMITTEE)

1. H. Res. 80, Providing amounts for the expenses of the Committee on Education and the Workforce in the One Hundred Eighth

Congress. (Committee funding resolution for the 108th congress, passed the House in H. Res. 148).

2. H. Res. 146, Providing amounts for the expenses of the Committee on Education and the Workforce in the One Hundred Eighth Congress. (Incorporates the committee funding resolution for the 108th Congress).

3. H. Res. 148, Providing for the expenses of certain committees of the House of Representatives in the One Hundred Eighth Congress. (Incorporates the committee funding resolution for the 108th Congress).

4. H. Con. Res. 95, Establishing the congressional budget for the United States Government for fiscal year 2004 and setting forth appropriate budgetary levels for fiscal years 2003 and 2005 through 2013.

5. H. Con. Res. 524, Directing the Clerk of the House of Representatives to make certain corrections to the enrollment of H.R. 1350.

6. S. Con. Res. 95, An original concurrent resolution setting forth the congressional budget for the United States Government for fiscal year 2005 and including the appropriate budgetary levels for fiscal years 2006 through 2009.

7. H. J. Res. 63, Compact of Free Association Amendments Act of 2003. Contains a provision regarding supplemental education grants (sec. 105(g)(1)(b)).

8. H.R. 1558, National Defense Authorization Act for Fiscal Year 2004. Contains provisions on standardization of statutory authorities for exemptions from requirements for access to secondary schools by military recruiters (sec. 544); eligibility for dependents of certain mobilized reservists stationed overseas to attend defense dependents schools overseas (sec. 553); assistance to local educational agencies that benefit dependents of members of Armed Forces and Department of Defense civilian employees (sec. 563); impact-aid eligibility for heavily impacted local educational agencies affected by privatization of military housing (sec. 567); repeal of rotating chairmanship of Economic Adjustment Committee (sec. 907); authority to provide living quarters for certain students in cooperative and summer education programs of the National Security Agency (sec. 1046); Short Title (sec. 1501); waiver authority for response to military contingencies and national emergencies (sec. 1502); use of professional judgment (sec. 1504); definitions (sec. 1505); and termination of authority (sec. 1506).

9. H.R. 2350, To reauthorize the Temporary Assistance for Needy Families block grant program through fiscal year 2003, and for other purposes. Contains provisions to extend programs under the committee's jurisdiction.

10. H.R. 3146, To extend the Temporary Assistance for Needy Families block grant program, and certain tax and trade programs, and for other purposes. Contains provisions to extend programs under the committee's jurisdiction.

11. H.R. 4200, National Defense Authorization Act for Fiscal Year 2005. Contains provisions in Title V—Military Personnel Policy—on continuation of impact assistance on behalf of dependents of certain members despite change in state of member (sec. 590); assistance to local education agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian

employees (sec. 595); senior reserve officer training corps and recruiter access at institutions of higher education (sec. 596); Title IX—Department of Defense Organization and Management—modification of obligated service requirements under National Security Education Program (sec. 904); and Title XXXI—Department of Energy National Security Programs—improvements to the Energy Employees Occupational Illness Compensation Program (sec. 3135).

12. H.R. 4279, Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act of 2004. Incorporates H.R. 660, “Small Business Health Fairness Act of 2003” and H.R. 4281, “Small Business Health Fairness Act of 2004” in Title II.

13. H.R. 4548, Intelligence Authorization Act for Fiscal Year 2005. Contain provisions on increasing employee compensation and benefits authorized by law (Title III sec. 301); provisions for annual funding (Title VI—Education, sec. 601); modification of obligated service requirements under the National Security Education Program (sec. 602); improvements to the National Flagship Language Initiative (sec. 603); establishment of scholarship program for English language studies for heritage community citizens of the United States within the National Security Energy Program (sec. 604); provisions in Subtitle B—Improvement in Intelligence Community Foreign Language Skills—Assistant Director of Central Intelligence for Language and Education (sec. 611); requirement for foreign language proficiency for advancement to certain senior level positions in the intelligence community (sec. 612); advancement of foreign languages critical to the intelligence community (sec. 613).

14. H.R. 4589, TANF and Related Programs Continuation Act of 2004. Contains provisions to extend programs under the committee’s jurisdiction.

15. H.R. 5149, Welfare Reform Extension Act, Part VIII. Contains provisions to extend programs under the committee’s jurisdiction.

16. S. 151/H.R. 1104, Child Abduction Prevention Act.

17. S. 286, Birth Defects and Developmental Disabilities Prevention Act of 2003. Contains provisions under the committee’s jurisdiction regarding the Family Educational Rights and Privacy Act.

18. S. 342/H.R. 14, Keeping Children and Families Safe Act of 2003.

19. S. 1276/H.R. 2552, Strengthen AmeriCorps Program Act.

20. S. 1685/H.R. 2359, Basic Pilot Program Extension and Expansion Act of 2003.

21. S. 1929, A bill to amend the Employee Retirement Income Security Act of 1974 and the Public Health Service Act to extend the mental health benefits parity provisions for an additional year.

22. S. 2231, A bill to reauthorize the Temporary Assistance for Needy Families block grant program through June 30, 2004, and for other purposes. Contains provisions to extend programs under the committee’s jurisdiction.

23. S. 2241, A bill to reauthorize certain school lunch and child nutrition programs through June 30, 2004.

24. S. 2507/H.R. 3873, Child Nutrition and WIC Reauthorization Act of 2004.

25. S. 2845/H.R. 10, National Intelligence Reform Act of 2004. Contains provisions in Title I, Subtitle E—Improvement of Education for the Intelligence Community, on modification of obligated

service requirements under National Security Education Program (sec. 1051); improvements to the National Flagship Language Initiative (sec. 1052); establishment of scholarship program for English language studies for heritage community citizens of the United States within the National Security Education Program (sec. 1053); Sense of Congress with respect to language and education for the intelligence community (sec. 1054); advancement of foreign languages critical to the intelligence community (sec. 1055); pilot project for Civilian Linguist Reserve Corps (sec. 1056); codification of establishment of the National Virtual Translation Center (sec. 1057); report on recruitment and retention of qualified instructors of the Defense Language Institute (sec. 1058); Provisions in Title II, Subtitle F—Criminal History Background Checks. Short title (sec. 2141); criminal history background checks (sec. 2142); Protect Act (sec. 2143); reviews of criminal records of applicants for private security officer employment (sec. 2144); task force on clearinghouse for IAFIS criminal history records (sec. 2145); and clarification of purpose (sec. 2146).

F. LEGISLATION WITH FILED COMMITTEE REPORTS

1. H.R. 13, Museum and Library Services Act of 2003 (House Report 108–16)
2. H.R. 14, Keeping Children and Families Safe Act of 2003 (House Report 108–26)
3. H.R. 444, Back to Work Incentive Act of 2003 (House Report 108–35)
4. H.R. 1000, Pension Security Act of 2003 (House Report 108–43, Part 1)
5. H.R. 1350, Improving Education Results for Children with Disabilities Act of 2003 (House Report 108–77)
6. H.R. 1261, Workforce Reinvestment and Adult Education Act of 2003 (House Report 108–82)
7. H.R. 1925, Runaway, Homeless, and Missing Children Protection Act (House Report 108–118)
8. H.R. 1170, Child Medication Safety Act of 2003 (House Report 108–121)
9. H.R. 1119, Family Time Flexibility Act (House Report 108–127)
10. H.R. 660, Small Business Fairness Act of 2003 (House Report 108–156)
11. H.R. 438, Teacher Recruitment and Retention Act of 2003 (House Report 108–182)
12. H.R. 2211, Ready to Teach Act of 2003 (House Report 108–183)
13. H.R. 2210, School Readiness Act of 2003 (House Report 108–184)
14. H.R. 3076, Graduate Opportunities in Higher Education Act of 2003 (House Report 108–307)
15. H.R. 3077, International Studies in Higher Education Act of 2003 (House Report 108–308)
16. H.R. 3030, Improving the Community Services Block Grant Act of 2003 (House Report 108–310)
17. H.R. 3873, The Child Nutrition Improvement and Integrity Act (House Report 108–445)

18. H.R. 2728, Occupational Safety and Health Small Business Day in Court Act (House Report 108–487)

19. H.R. 2729, Occupational Safety and Health Review Commission Efficiency Act of 2004 (House Report 108–486)

20. H.R. 2730, Occupational Safety and Health Independent Review of OSHA Citations Act of 2004 (House Report 108–488, Part 1)

21. H.R. 2731, Occupational Safety and Health Small Employer Access to Justice Act (House Report 108–489, Part 1)

22. H.R. 4278, Improving Access to Assistive Technology for Individuals with Disabilities Act of 2004 (House Report 108–514)

23. H.R. 4496, Vocational and Technical Education for the Future Act (House Report 108–659)

24. Report on the Activities of the Committee on Education and the Workforce for the 108th Congress (108–813)

G. LEGISLATION ORDERED REPORTED FROM FULL COMMITTEE

108th Congress, First Session

H.R. 14, Keeping Children and Families Safe Act of 2003 was ordered favorably reported, as amended, by voice vote.

H.R. 13, Museum and Library Services Act of 2003 was ordered favorably reported by voice vote.

H.R. 444, Back to Work Incentive Act of 2003 was ordered favorably reported, as amended, by a vote of 23–22 with 1 Member voting Present.

H.R. 1000, Pension Security Act of 2003 was ordered favorably reported, as amended, by a vote of 29–19.

H.R. 1261, Workforce Reinvestment and Adult Education Act of 2003 was ordered favorably reported, as amended, by a vote of 26–21.

H.R. 1119, Family Time Flexibility Act was ordered favorably reported by a vote of 27–22.

H.R. 1350, Improving Education Results for Children With Disabilities Act of 2003 was ordered favorably reported, as amended, by a vote of 29–19.

H.R. 1170, Child Medication Safety Act of 2003 was ordered favorably reported, as amended, by voice vote.

H.R. 1925, Runaway, Homeless and Missing Children Protection Act was ordered favorably reported, as amended, by voice vote.

H.R. 438, Teacher Recruitment and Retention Act of 2003 was ordered favorably reported, as amended, by voice vote.

H.R. 2211, Ready to Teach Act of 2003 was ordered favorably reported, as amended, by voice vote.

H.R. 660, Small Business Health Fairness Act of 2003 was ordered favorably reported, as amended, by a vote of 26–21.

H.R. 2210, School Readiness Act of 2003 was ordered favorably reported, as amended, by a vote of 27–20.

H. Con. Res. 282, Honoring the life of Johnny Cash was ordered favorably reported by unanimous consent.

H.R. 3076, Graduate Opportunities in Higher Education Act of 2003 was ordered favorably reported, as amended, by voice vote.

H.R. 3077, International Studies in Higher Education Act of 2003 was ordered favorably reported, as amended, by voice vote.

H.R. 3030, Improving the Community Services Block Grant Act of 2003 was ordered favorably reported, as amended by a vote of 28–20.

108th Congress, Second Session

H.R. 3873, Child Nutrition Improvement and Integrity Act was ordered favorably reported, as amended by a vote 42–0.

H.R. 2728, Occupational Safety and Health Small Business Day in Court Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20.

H.R. 2729, Occupational Safety and Health Review Commission Efficiency Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20.

H.R. 2730, Occupational Safety and Health Independent Review of OSHA Citations Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20.

H.R. 2731, Occupational Safety and Health Small Employer Access to Justice Act of 2003 was ordered favorably reported, as amended, by a vote of 24–20.

H.R. 4278, Improving Access to Assistive Technology for Individuals with Disabilities Act of 2004 was ordered favorably reported, as amended, by voice vote.

H.R. 4496, Vocational and Technical Education for the Future Act was ordered favorably reported, as amended, by voice vote.

H. CONFERENCE REPORTS FILED WITH EDUCATION AND THE
WORKFORCE MEMBERS APPOINTED AS CONFEREES

1. S. 151/H.R. 1104,* Prosecuting Remedies and Tools Against the Exploitation of Children Today Act of 2003 PROTECT Act (House Report 108–21)

2. S. 342/H.R. 14,* Keeping Children and Families Safe Act of 2003 (House Report 108–150)

3. H.R. 1588, National Defense Authorization Act for Fiscal Year 2004 (House Report 108–354)

4. H.R. 6,* Energy Policy Act of 2003 (House Report 108–375)

5. H.R. 3108,* Pension Funding Equity Act of 2004 (House Report 108–457)

6. H.R. 4200, National Defense Authorization Act for Fiscal Year 2005 (House Report 108–767)

7. H.R. 4520, American Jobs Creation Act of 2004 (House Report 108–755)

8. H.R. 1350,* Individuals with Disabilities Education Improvement Act of 2004 (House Report 108–779)

*bills referred to committee

I. CONFERENCES WITH EDUCATION AND THE WORKFORCE MEMBERS
APPOINTED AS CONFEREES

S. 151/H.R. 1104*—Prosecutorial Remedies and Other Tools To End the Exploitation of Children Today Act of 2003 or PROTECT Act (appointed 3/31/03)

S. 342/H.R. 14*—Keeping Children and Families Safe Act of 2003 (appointed 4/7/03)

H.R. 1588—National Defense Authorization Act for Fiscal Year 2004 (appointed 7/16/03)

H.R. 6*—Energy Policy Act of 2003 (appointed 9/5/03)

H.R. 3108*—Pension Funding Equity Act of 2003 (Chairman Boehner, Conference Chair) (appointed 3/4/04)

March 9, 2004—House-Senate Conference Meeting

April 1, 2004—House-Senate Conference Meeting

H.R. 3550*—To authorize funds for Federal-aid highways, highway safety programs, and transit programs (appointed 6/3/04)

H.R. 1261*—Workforce Reinvestment and Adult Education Act of 2003 (appointed 6/3/04) (pending senate conferee appointment)

H.R. 4200—National Defense Authorization Act for Fiscal Year 2005 (appointed 9/28/04)

H.R. 4520—American Jobs Creation Act of 2004 (appointed 9/29/04)

H.R. 1350*—Individuals with Disabilities Education Improvement Act of 2004 (appointed 10/8/04)

(* bills referred to committee)

V. COMMITTEE ON EDUCATION AND THE WORKFORCE STATISTICS

A. GENERAL STATISTICS ON REFERRED MATTERS

Total Number of Bills and Resolution Referred	658
Total Number of Hearings Held	74
Total Number of Hearings Held by the Full Committee	21
Total Number of Field Hearings Held	9
Total Number of Field Hearings Held by the Full Committee	3
Total Number of Joint Hearings Held with Other Committees	2
Total Number of Full Committee Joint Hearings Held with Other Committees	1
Total Number of Markup Sessions Held	34
Total Number of Full Committee Markup Sessions Held	20
Total Number of Bills Ordered Reported by the Full Committee	24
Total Number of Filed Reports	32
Total Number of Committee Reports	24
Total Number of Filed Conference Reports	8
Report on the Activities of the Committee for the 108th Congress	1
Total Number of Conferences with E&W Members Appointed Conferees	10
Total Number of Issued Reports (ULLICO)	1
Total Number of Issued Subpoenas	2
Total Number of Bills and Resolutions Passed the House	113
Total Number of Bills Passed the House in Another Measure	34
Total Number of Bills Enacted Into Law	36

B. NOT REFERRED MATTERS CONTAINING COMMITTEE'S JURISDICTION

Total Number of Not Referred Bills that Passed the House	25
Total Number of Not Referred Bills Enacted Into Law	22

SUBCOMMITTEE ON EMPLOYER-EMPLOYEE RELATIONS

I. SUMMARY OF ACTIVITIES

Members of the House Education and the Workforce Employer-Employee Relations (EER) Subcommittee, led by Chairman Sam Johnson (R-TX), worked successfully with President George W. Bush during the 108th Congress to modernize outdated federal pension and labor laws to help working families meet the challenges and opportunities of the modern economy.

Pension reform and worker retirement security were key issues for the EER Subcommittee during the 108th Congress because of the continuing decline of the defined benefit pension system—a decline Committee Republicans argue is putting current and future retiree pension benefits at risk—and also because of ongoing fallout

from the 2002 corporate collapses at employers such as Enron and WorldCom.

The EER panel also placed a considerable emphasis during the 108th Congress on expanding health care access for working families, protecting health benefits for workers and retirees, and strengthening union democracy and accountability. Additionally, the Subcommittee used the hearing process to examine the promise and implications of genetic testing relative to federal workforce law.

The following is a summary of some of the major actions taken by the Employer-Employee Relations Subcommittee during the 108th Congress.

PROTECTING WORKER PENSIONS AND ENHANCING RETIREMENT SECURITY

Pension reform emerged as a key issue for Congress during President George W. Bush's first term—in part because of the decline of the defined benefit pension system, but also because of the 2002 corporate collapses of two major U.S. corporations, Enron and WorldCom. The Education and the Workforce Committee, led by members of the Employer-Employee Relations Subcommittee, had responded quickly and decisively to the emerging problems during the 107th Congress by holding hearings and passing relevant legislation to address these issues. Those efforts were built upon by the Subcommittee in the 108th Congress, as lawmakers broadened their focus with an eye on a comprehensive overhaul of the nation's outdated pension and retirement security laws.

In 2003, the Committee launched a series of bipartisan hearings to examine the significant underfunding problems in the defined benefit pension system. These hearings yielded a considerable volume of information and testimony that Chairman John Boehner (R-OH), EER Subcommittee Chairman Sam Johnson (R-TX) and other Committee leaders intend to use as the foundation for a future overhaul of pension and retirement security laws in the 109th Congress. Among the topics addressed through this hearing process were the question of whether Americans are adequately prepared for retirement; the health of the overall defined benefit system; the financial condition of the Pension Benefit Guaranty Corporation (PBGC); the effectiveness of pension funding reforms enacted over the previous two decades; possible reforms to the single and multi-employer pension systems; and the status of cash balance pension plans. The Committee, led by members of the EER Subcommittee, held eight hearings on the defined benefit pension problems during the 108th Congress.

Helping Workers Adequately Prepare for Retirement

At a February 25, 2004 hearing before the Education and the Workforce Committee, witnesses told Committee members that workers aren't adequately planning for their retirement and that reforming and strengthening the defined benefit pension system should be a top priority to help ensure that workers have a safe and secure retirement. While workers now have a heightened responsibility to set retirement goals and save sufficient funds for retirement, witnesses warned, many are not prepared to make these

difficult decisions, and as a result, their retirement security may be in jeopardy.

Noted economist, author, and actor Ben Stein, honorary chairperson of the National Retirement Planning Coalition, was among those who testified before the Committee in support of reforming the nation's pension laws.

"Tens of millions of Americans are seriously under-prepared to meet their financial needs in retirement," Stein told the Committee. "These men and women expect and want to have a decent, comfortable retirement, at least roughly similar to the way of life they have before retirement. Yet the amount that the ordinary, average American family has saved for retirement is less than \$50,000—a startlingly large fraction of pre-retirees, perhaps as much as 40 percent, have almost nil savings for retirement."

"In other words, there is a very large gap between what Americans have in the way of income for retirement and what they are going to need to retire," Stein said. "As a result, millions of Americans will fall short of accumulating the assets necessary to maintain the standard of living they have grown accustomed to when they retire. For many, this will require that they retire later than planned, try to find some form of employment in retirement to generate additional income or dramatically scale back their retirement lifestyles. None of these is desirable."

"Studies continually show that many retirees and baby boomers now realize that they have not saved enough money to retire or have only a short time to accumulate more money for retirement," said Chairman Boehner at the time of the hearing. "Reforming and strengthening the defined benefit pension system, which traditionally provides a lifetime stream of income or retirement insurance, is essential in preventing retiree poverty and helping solve the problem of retirees outliving their assets."

Examining the Financial Condition of the Pension Benefit Guaranty Corporation

Committee leaders spent considerable time during the 108th Congress warning that the defined benefit pension system is in the midst of a significant decline. Committee leaders also noted that the agency that insures defined benefit pension plans on behalf of workers, the Pension Benefit Guaranty Corporation (PBGC), had accumulated a staggering deficit of \$23.3 billion, as of November 2004. This combination of alarming trends presents a major challenge to the security of American workers and taxpayers alike, Committee Republicans warned.

On September 4, 2003, witnesses from both the Government Accountability Office (GAO) and the PBGC testified before the Education and the Workforce Committee on the financial condition of the agency. Congressional Republicans, concerned that the PBGC's troubles could potentially result in a multibillion dollar federal bailout financed by taxpayers, called the hearing in July 2003 after GAO announced it was including the PBGC on its list of "high-risk" programs that require additional federal oversight. In its July 23, 2003 announcement, GAO noted structural problems in the defined benefit pension system that is jeopardizing the financial health of the PBGC.

"My greatest fear is not the record deficits we're hearing about today," Subcommittee Chairman Johnson said at the time of the hearing. "My greatest fear is not what we know; it's what we don't know about looming liabilities of plans on the brink. What will we hear about next and how will we pay for it? We need to have a full and honest accounting for just how much help PBGC will need and how we can fix it."

U.S. Comptroller General David Walker, head of the GAO, presented the agency's findings, saying "the long-term viability of the program is at risk."

Walker cited two factors as the basis for this observation.

"First, and most worrisome, the high level of losses experienced in 2002, due to the bankruptcy of companies with large underfunded defined-benefit plans, could continue or accelerate," Walker noted. "Second, PBGC might not receive sufficient revenue from premium payments and its own investment to offset the losses experienced to date or those that may occur in subsequent years."

Steve Kandarian, testifying as executive director of the PBGC, told the Committee the agency's record deficit had been "caused by the failure of a significant number of highly underfunded plans of financially troubled and bankrupt companies," and noted PBGC premiums had "not kept pace with the growth in pension claims or in pension underfunding."

Witnesses Warn Loss of Cash Balance Plans Would Jeopardize the Future of the Defined Benefit System

On July 15, 2004, witnesses before the Committee expressed concern about the future of the defined benefit pension system if the legal uncertainty surrounding cash balance plans, which are defined benefit plans, is not resolved in a responsible manner. The witnesses warned the loss of cash balance plans as a viable retirement plan option would undermine the retirement security of working men and women.

Citing a recent survey indicating 41 percent of hybrid plan sponsors would likely freeze their worker pension plans if the legal uncertainty was not resolved within a year, witness James Delaplane, special counsel for the American Benefits Council, stressed the need for change.

"The hostile climate for hybrid plans and the litigation risks and extreme damage potential are unfortunately starting to make this an easier and easier decision for corporate decision-makers" to "consider freezes or terminations," Delaplane warned.

"If employers are pushed to abandon hybrid plans, we will lose a retirement vehicle that delivers higher benefits to the vast majority of employees and meets workers' key retirement plan needs—for portability and benefit guarantees—all while utilizing transition methods that protect older workers," Delaplane added. "How, exactly, is this good for employees and their families?"

Ellen Collier, director of benefits for the Eaton Corporation in Cincinnati, Ohio, described her company's experience in implementing a cash balance plan for its workers.

"Like the majority of other employers who switch to a cash balance design, Eaton made every effort to act in 'good faith' during this conversion," Collier told members. "As opposed to adopting a less costly, less secure, and less controversial defined contribution

design, Eaton incurred additional cost through the conversion process, provided a variety of communications materials and tools, and used a fair conversion method.”

Eaton voluntarily made higher pay credits to the cash balance accounts of older workers and those with longer service to ease the transition, Collier said.

“The employee reaction to Eaton’s decision to implement a cash balance plan and provide an informed choice was overwhelmingly positive,” added Collier. “This, along with similar data from numerous surveys, indicates that employees understand and appreciate the need for companies to have flexible retirement programs that fit the needs of today’s workforce.”

Under the Employee Retirement Income Security Act (ERISA), witnesses noted, benefits earned under a traditional plan cannot be reduced when they are converted to a cash balance plan. Delaplane told Committee members that “despite assertions to the contrary, existing benefits are never reduced in a hybrid plan conversion.”

Collier reiterated that the legal uncertainty around cash balance plans leaves employers with few options.

“One choice would be to stay with the traditional pension design, which tends to deliver meaningful benefits to a relatively small number of career-long workers, has limited value as a recruitment device in today’s marketplace, and makes integration of new employees difficult,” Collier said. “The other alternative would be to exit the defined benefit system and provide only a defined contribution plan, which while an important and popular benefit offering, provides none of the security guarantees inherent in defined benefit plans. Clearly, it is employees that lose out as a result of today’s uncertainty surrounding hybrid plans.”

Noted researcher Robert Clark, a professor at North Carolina State University who had evaluated numerous pension studies, also addressed Committee members.

“Comprehensive analysis of the impact of plan conversions indicates that most workers will have higher lifetime pension benefits in a world of cash balance plans compared to traditional defined benefit plans,” Clark reported, noting “studies have shown that many senior workers also will gain from a transition to a cash balance.”

“The advantages of the hybrid plan are not reserved for younger workers,” Delaplane added. “Even longer-service workers often fare better under a hybrid plan. One of the many ways in which hybrid plan sponsors address the needs of longer-service and older employees is by contributing pay credits that increase with the age and service of employees. Recent surveys show that 74 percent of cash balance plan sponsors provide pay credits that increase with age or service, while 87 percent of pension equity plan sponsors do the same.”

Because women tend to change jobs more often than men, are more likely to leave the job market to handle family responsibilities, and often do not stay at a job long enough to be vested in a traditional plan, cash balance plans provide a more equitable and generous pension benefit for women, stressed Nancy Pfotenhauer, president of the Independent Women’s Forum (IWF).

“We believe the emergence of hybrid plans is encouraging news for many and a cause for particular hope among women,” said

Pfotenhauer. “In fact, one benchmark study done in 1998 by the Society of Actuaries found that an amazing 77 percent of women do better under a cash balance approach. They are better off under a cash balance system because they move in and out of the workforce in order to balance family needs and because they cannot afford to take early retirement.”

“An alternative perspective, and one that IWF believes has credence, is that any adoption of restrictions that effectively limit the ability of companies to transition to hybrid plans places the financial well-being of the relatively few employees who have had the luxury of staying with one company for a long period of time, have the luxury of taking early retirement, and have the luxury of taking their pension benefit in the form of an annuity rather than as a lump sum, ahead of all of the employees who do not have these options,” Pfotenhauer said.

Several witnesses, including Delaplane and Collier, made recommendations for Congress to move forward on the pension reform effort, saying it was important to (1) clarify that the cash balance and pension equity designs satisfy current age discrimination rules; (2) provide legal certainty for the hybrid plan conversions that have already taken place; (3) establish rules to govern future conversions to hybrid plans; and (4) reject benefit mandates that prevent employers from modifying benefit programs or force employers to leave the defined benefit system altogether.

Short-Term Pension Fix Highlights Need for Permanent Solutions

Members of the Education and the Workforce Committee worked during the 108th Congress to help worker pension plans stay afloat in the short-term as the groundwork was being laid for broad, long-term reforms to strengthen the defined benefit pension system.

Under the Committee’s leadership, the 108th Congress protected workers’ retirement savings by enacting short-term pension reforms, including a temporary replacement for the 30-year Treasury bond interest rate used by many employers to determine pension fund contributions and PBGC variable rate premiums. Full Committee Chairman Boehner chaired the House-Senate conference that produced the final short-term pension bill. EER Subcommittee Chairman Johnson, 21st Century Competitiveness Subcommittee Chairman Howard P. “Buck” McKeon (R-CA), and Rep. Pat Tiberi (R-OH) also played important roles in ensuring the measure became law.

The House passed the conference agreement on April 2, 2004, by a vote of 336–69. The Senate passed it on April 8, 2004, by a bipartisan vote of 78–19. President Bush signed the measure into law on April 10, 2004, five days before the crucial April 15 deadline for quarterly employer pension contributions.

“Enactment of this critical pension bill represents a major victory for working families who count on defined benefit pension plans for their retirement,” said McKeon, a member of the House-Senate conference. “This two-year pension funding fix will help millions of pension plans stay afloat and give American workers security in their retirement savings while Congress considers more permanent solutions to strengthen the defined benefit system.”

“The conferees worked in a bipartisan, bicameral effort to come to a final agreement providing temporary relief for underfunded

pension plans that put earned benefits of American workers at risk,” said Tiberi, also a member of the House-Senate conference. “It represents a responsible, short-term approach, but it does not diminish the need for permanent, long-term solutions to these pension issues.”

A summary of the pension conference agreement enacted in 2004:

Pension Interest Rate Fix. The conference report replaced the current standard that employers must use to determine their pension liabilities—the 30-year Treasury bond interest rate—with a blended corporate bond rate for two years through December 31, 2005. By resolving this key interest rate issue, Congress helped to preserve employee pension plans in the short-term as it looked at long-term solutions to reform and strengthen the defined benefit system on behalf of workers and employers.

Relief from Deficit Reduction Contributions (DRC). The conference agreement included significant provisions dealing with Deficit Reduction Contributions, or DRC payments, which are the additional contributions companies must make to their pension plans when plan funding falls below 90 percent of liabilities. The conference agreement provided DRC relief for airlines and steel companies, reducing these contributions by 80 percent, for two years only. The conference report dropped provisions in the Senate bill that gave waivers for similar DRC relief for all other single employer pension plans.

Multiemployer Plan Relief. The conference agreement allowed multiemployer plans to defer the amortization of 80 percent of the plan’s 2002 net experience losses for two years in order to target funding relief only to those multiemployer plans most in need—those plans that experienced significant losses as a result of low interest rates, sizable market investment losses, and an expanding number of retirees. Plans qualified if they met the following thresholds: (1) the plan had a net investment loss of 10 percent or more for 2002; (2) the plan’s actuary certifies that the plan is expected to have a funding deficiency in 2004, 2005, or 2006. The certification must be based on the same actuarial assumptions used in the 2003 plan year; (3) the plan had not failed to timely pay any excise tax imposed by the IRS; (4) the plan had not had a funding holiday for contributions in excess of 10 cents per hour; and (5) the plan had not previously received any funding waivers from the IRS.

The conference agreement specified that multiemployer plans could not increase benefits during the deferral period, unless the benefit increase was already negotiated under an existing collective bargaining agreement or if contributions to the plan exceeded the annual charges attributable to the benefit change. The plan’s actuary was required to certify that contributions to the plan did in fact exceed the charges to the plan. The conference agreement dropped Senate-passed language providing a three-year deferral of amortized losses to all multiemployer plans.

Finally, the conference report included Senate-passed notice provisions requiring multiemployer plans to provide participating employers and workers annual, written notice about the funded status of their pension plan, and a general description of the guaranteed benefits provided by the PBGC. The conference report also requires the notice to be sent to the PBGC.

Long-Term Defined Benefit Reforms Will Help Prepare Workers for a Secure Retirement

As members worked on short-term reform legislation, the Employer-Employee Relations Subcommittee remained hard at work looking at a variety of comprehensive reform options to strengthen the defined benefit pension system and enhance the retirement security of working families. On April 29, 2004, witnesses before the Subcommittee presented different reform possibilities for both the single and multiemployer pension system for members to consider in their efforts craft a comprehensive bill to bolster the long-term prospects of the defined benefit system.

“Over the last 20 years, Congress has attempted several times to strengthen the defined benefit system yet we are seeing record deficits at the Pension Benefit Guaranty Corporation and underfunding problems continue to threaten the future of this system,” Subcommittee Chairman Johnson said. “Fundamental questions of long-term pension plan solvency are at the top of the list for reform. Expanding the number of pension plans and individuals in these plans will be important for ensuring Americans’ retirement will be financially secure.”

Witnesses before the Subcommittee provided members with a variety of reform options for both the single employer and multiemployer pension systems. Areas of reform discussed included making permanent changes to the interest rate companies use to calculate their pension liabilities, reforming pension funding rules, strengthening the funding of multiemployer plans, enhancing disclosure for participants, and other areas as well.

As 2004 went on, Republican warnings about the consequences of failing to update the nation’s pension laws were further validated as financial troubles forced some of the nation’s largest airlines to consider terminating or freezing their worker pension plans, threatening American taxpayers with the prospect of a multibillion dollar bailout. At the heart of the potential crisis, Republicans noted, were outdated federal laws that govern defined benefit pension plans, which sometimes make it difficult to ensure worker retirement plans are adequately funded. Chairman John Boehner and other Committee leaders called for these laws to be updated to protect workers and taxpayers.

On September 14, 2004, Chairman Boehner publicly outlined six principles to guide congressional efforts to protect worker retirement security and modernize America’s pension laws. Boehner emphasized the need for bipartisan cooperation, and asked Committee Democrats to comment on the principles. The principles included:

Congress should implement a permanent interest rate to accurately calculate employers’ pension funding promises.

- Employers who are making major, short-term financial decisions need greater certainty about the level of their future pension obligations and workers need to know that employers are making timely contributions to adequately fund their pension plans.
- Implementing a permanent and appropriate interest rate is crucial to ensure that our pension system works for both employers and workers.
- We must ensure that pension calculations are accurate and that all factors—including lump sum distributions—are taken into account when determining the funded status of a plan.

Congress should require companies to fully fund their plans.

- Outdated federal rules essentially force employers to make additional pension contributions during difficult economic times when they can least afford them, even while limiting their ability to better fund their plans during healthier economic times.

- This is wrong; it's important for Congress to encourage employers to make additional contributions to their plans during strong economic times to ensure that plans are adequately funded during an economic downturn or market fluctuation.

Congress should reduce funding volatility in pension plans to ensure that employers make adequate and consistent payments to their plans.

- Under current law, employers are allowed to skip pension payments during times of economic prosperity if they meet minimum funding standards.

- Comprehensive reforms must require employers to make sufficient and consistent contributions to ensure that plans are adequately funded in all economic climates, and also require additional contributions to be made by employers to plans that are systematically underfunded.

Employers and unions shouldn't make promises to workers they know can't be kept.

- Too often, employers and union leaders have negotiated benefit increases when pension plans are severely underfunded—misleading workers, digging a deeper financial hole for plans that are already underfunded, and increasing the likelihood that pension plans will be terminated and taken over by the PBGC, often providing lower benefits for workers.

- All parties must be responsible for ensuring that plans are fully funded, and all must be straightforward with workers about the status of their benefits.

Workers deserve more accurate and meaningful disclosure about the status of their pension plan.

- Congress should provide workers and employers, in the case of multiemployer plans, accurate and timely disclosure of the financial health of their pension plans.

- The economic health of the pension plans should be disclosed to interested parties consistently and well before any plan becomes significantly underfunded, and Congress should make this relevant and timely information transparent.

Congress should ensure that hybrid plans, such as cash balance pensions, remain a viable part of the defined benefit system.

- Cash balance plans represent an important part of the defined benefit system and worker retirement security, especially for women and low-income workers.

- These plans are funded entirely by the employer, are protected by the PBGC, and offer portable benefits that allow workers to earn more generous benefits steadily throughout their careers.

- However, the continuous threat of legal liability for employers offering cash balance plans is creating ongoing uncertainty and undermining the retirement security of American workers.

- Simply put, if the fear of legal liability encourages more employers to leave the defined benefit pension system, it could have a devastating impact on workers and their retirement.

- Congress should consider solutions to ensure cash balance pension plans remain a viable part of the defined benefit system and a positive retirement security option for workers and employers.

In December 2004, Boehner indicated a top priority for the Education and the Workforce Committee in the 109th Congress would be to work closely with Ways & Means Committee Chairman Bill Thomas (R-CA) and other members of the Ways & Means Committee to enact a comprehensive reform package to update pension laws and strengthen worker retirement security.

Defined Contribution Reforms To Help Workers Protect & Expand Their 401(k) Accounts

During the 108th Congress, the House passed legislation, written by EER Subcommittee members and supported by President Bush, that sought to give rank-and-file workers more control over 401(k) pension plans and better access to quality investment advice regarding their retirement savings.

The legislation, dubbed the Pension Security Act, had its origins in the 107th Congress. In his 2002 State of the Union Address, President Bush had called on Congress to enact important new safeguards to protect the pensions of millions of American workers in the wake of the Enron collapse. Led by members of the EER Subcommittee, the House responded quickly and decisively to the President's call, taking action to restore investor confidence in the nation's pension system. On April 11, 2002, the House approved the Pension Security Act (H.R. 3762) by a strong bipartisan margin of 255–163, with 46 House Democrats joining Republicans in voting to pass the bill.

Committee leaders renewed efforts to enact the legislation when the 108th Congress began in 2003, re-introducing the Pension Security Act as H.R. 1000. On May 14, 2003, the House passed the bill by a vote of 271–157, with 49 Democrats joining Republicans in support of the legislation.

The Pension Security Act (H.R. 1000) proposed giving workers unprecedented new retirement security protections. The reforms in the bill, Committee leaders noted, would have helped to protect thousands of Enron and WorldCom employees who lost their savings during their companies' collapses if it had been law. The Pension Security Act included new safeguards and options to give workers new freedom to diversify their retirement savings within three years; expand worker access to investment advice to help them manage their retirement accounts; empower workers to hold company insiders accountable for abuses; and give workers better information about their pensions.

Specifically, the Pension Security Act included the following worker protections:

Giving Workers Freedom To Diversify. The Pension Security Act proposed giving employees new freedom to sell company stock and diversify into other investment options. It proposed giving employers the option of allowing workers to sell their company stock three years after receiving it in their 401(k) plan (a three-year rolling diversification option) or allowing workers to sell their company stock within three years of service with the company (a three-year diversification cliff).

The bill proposed prohibiting companies from forcing employees to invest any of their own retirement savings contributions in the stock of the employer. These provisions, supporters noted, would give employers the flexibility to promote employee ownership while protecting the employee's interest in diversifying their portfolio. Under current law, employers are allowed to restrict a worker's ability to sell their company stock in certain situations until they are age 55 years old and/or have 10 years of service with the company, supporters of the Pension Security Act noted.

Enhancing Worker Access to Quality Investment Advice. As more and more employers provide 401(k) plans to their workers, rank-and-file employees are shouldering more of the risk of their investment—but these employees rarely have the time or knowledge to actively manage these investments and most have no access to quality investment advice through their employer, Committee members noted. Thousands of rank-and-file Enron and WorldCom employees might have been able to preserve their retirement savings if they'd had access to a qualified adviser who would have warned them in advance that they needed to diversify, Committee members argued.

The Pension Security Act proposed providing rank-and-file employees with access to a qualified investment advisor who could inform them of the need to diversify and help them choose appropriate investments. The bill included tough fiduciary and disclosure safeguards to ensure that advice provided to employees is solely in the employee's best interest. The House passed the Pension Security Act's primary investment advice provision as a stand-alone measure on November 15, 2001 (the Retirement Security Advice Act) with the support of 64 Democrats. The Pension Security Act also provided a new tax incentive, authored by Rep. Rob Portman (R-OH), to help employees pay for the cost of retirement planning services.

Clarifying that Employers are Responsible for Worker Savings During "Blackouts." The Pension Security Act proposed making clear that companies have a fiduciary responsibility for workers' savings during "blackout" periods, when workers are temporarily barred from making changes to their 401(k) investments, generally due to an administrative change to the plan. Companies deemed to have breached this responsibility would be subject to stiff penalties under federal law under the Pension Security Act.

Giving Workers Better Information About Their Pensions. H.R. 1000 proposed requiring companies to give workers quarterly benefit statements that would include information about accounts, including the value of their assets, their rights to diversify, and the importance of maintaining a diversified portfolio.

Simplifying Pension Plans. The bill included a number of provisions designed to make it easier for small businesses to start and maintain defined benefit pension plans. For example, it would have simplified reporting requirements for pension plans with fewer than 25 participants. In addition, it would have reduced Pension Benefit Guaranty Corporation (PBGC) insurance premiums for small and new pension plans.

EXPANDING HEALTH CARE ACCESS FOR WORKING FAMILIES

With support from President Bush, members of the Education and the Workforce Committee placed a high priority in the 108th Congress on efforts to expand affordable health care coverage for Americans who lack basic health insurance. The topic was a significant focus for the Employer-Employee Relations Subcommittee and Subcommittee Chairman Sam Johnson (R-TX) throughout 2003 and 2004.

According to figures released by the U.S. Census Bureau in August 2004, the number of Americans who have no health insurance increased to 45 million Americans, an increase of 1.4 million people over the previous year. The ranks of the uninsured have swelled again, in part, because excessive government mandates and trial lawyer lawsuits drive up costs and put health coverage out of reach for families with limited means, Committee Republicans noted.

Subcommittee members focused during the 108th Congress on the objective of ensuring all Americans have affordable health insurance coverage options, with the primary goal of creating affordable options to help the uninsured. Subcommittee Chairman Johnson and other Committee Republicans continued to insist that instead of imposing costly new mandates on employers or health care providers, Congress should focus on real solutions that make it easier for small employers to offer quality benefits to their workers and new options that expand consumer choice.

Responding to the Health Care Needs of Uninsured Working Families

On March 13, 2003, the Subcommittee held a hearing on the Small Business Health Fairness Act (H.R. 660), introduced by Subcommittee Chairman Johnson, Rep. Ernie Fletcher (R-KY), Education and the Workforce Committee Chairman John Boehner (R-OH), Rep. Cal Dooley (D-CA), and Rep. Nydia Velázquez (D-NY). The proposed measure would create association health plans (AHPs), an access-expanding tool supported by President Bush that would allow small businesses to band together through associations and purchase quality health care at a lower cost. The bill, supporters argued, would increase small businesses' bargaining power with health care providers, give them freedom from costly state-mandated benefit packages, and lower overhead costs by as much as 30 percent to help employers to provide quality health benefits for workers.

"Sixty percent, or 24 million, of uninsured Americans work in small businesses. Some of these people are offered insurance and turn it down because they can't pick up their part of the tab," Johnson said. "It's time we leveled the playing field for small business and gave them the health care clout they deserve."

Ann Combs, the assistant U.S. Secretary of Labor for employee benefits security, described the problem: "Although most working Americans receive health insurance from their employers, small firms with fewer than 100 employees find it particularly difficult to offer benefits. Just 49 percent of these small businesses offer insurance, compared with 98 percent of larger firms with 100 or more employees."

Calling AHPs a “substantial solution to this problem,” Combs said the bill would “help make coverage a reality for more small businesses.”

Phyllis Burlage, a small business owner who runs the accounting firm Burlage Associates in Millersville, Maryland, said her firm had been hit by a 45 percent increase in the rates it pays to provide health care coverage for its workers.

“Without the ability to shop for more affordable options, we are left with the choice to shift costs or drop coverage. Association health plans would end the nightmare of health care purchasing for small businesses,” said Burlage. “Simply put, the lack of competition in the small group market is making insurance company executives richer at small businesses’ expense.”

Gregory Scandlen, the director of the Center for Consumer Driven Health Care at the Galen Institute, said AHPs would “inject more competition, innovation and choice in a market that is approaching monopoly conditions.”

“Greater competition should make health plans more responsive to the demands of their customers, improve service, expand benefit options, and increase the numbers of small employers who provide coverage,” Scandlen said.

On June 19, 2003, House passed the AHP bill by a vote of 262–162, with 36 House Democrats joining Republicans in voting to pass the measure. The House passed the measure again on May 13, 2004, reiterating its commitment to helping the millions of Americans without health insurance.

Committee leaders cited public opinion research during the 108th Congress showing strong support among the American public for enactment of legislation allowing the creation of AHPs. A March 2004 poll conducted for the Federation of American Hospitals indicated 93% of Americans support AHPs as a means to offer quality health care to uninsured working families. AHPs were the most popular of all congressional proposals surveyed in the opinion poll.

Examining Innovative Steps Employers Are Voluntarily Taking To Provide Workers With Quality Health Care Benefits

On June 24, 2004, the Subcommittee held a hearing on new steps being taken voluntarily by employers—without government mandates—to ensure their workers get top quality health benefits. As a result of rising health care costs, Committee leaders noted, many employers are redesigning their health plans and implementing new options and choices to educate employees about health care costs and help them become better health care consumers.

“With annual double-digit health care cost increases over the last few years, employers are faced with the question of how they will continue voluntarily providing the high level of quality benefits they have in the past,” said Subcommittee Chairman Johnson. “As a result, many employers are redesigning their health plans and implementing new options to help employees become more savvy consumers of health care.”

Johnson cited the example of the Texas-based Whole Foods Market Inc., which in 2003 implemented a high deductible plan combined with an employer-subsidized account. The results of the consumer-driven plan were impressive, as overall medical claim costs

fell 13 percent from the year before yet the quality of care remained high.

Members learned employers are using a variety of new health plan options to address the rising cost of health care, while still maintaining high-quality health plans for their workers.

“Health insurance plans have developed a spectrum of ‘consumer choice’ products that give workers the incentives and the tools to become better consumers of health care,” testified Rick Remmers, chief executive officer of Humana-Kentucky/Indiana/Tennessee. “By giving workers more control over funds allocated for their health benefits, workers will be more engaged in how they spend their money.”

Remmers cited a number of health care options being used by employers, including products designed around tax-advantaged spending accounts—such as health savings accounts, products designed around tiered networks of providers, and products designed around structured choice, where workers “build their own” plans after the employer has chosen a core set of benefits.

“These strategies will help America’s health insurance plans transform coverage and care options tomorrow in ways that will streamline and strengthen the employer-based system, rather than merely burdening it with added complexity and costs,” Remmers told Committee members.

Frank McArdle, manager of the Washington, D.C., research office for Hewitt Associates, discussed the erosion of retiree health coverage, citing a Hewitt study on the topic.

“Over the next three years, only two percent of employers said they are very or somewhat likely to terminate all subsidized health benefits for current retirees, whereas 20 percent said they are very or somewhat likely to terminate subsidized benefits for future retirees,” McArdle told Committee members, noting that the skyrocketing cost of health care was the main culprit in the erosion of benefits.

Giving consumers more choice and more control, and better information to help them make the choices that are right for them, will help to create a more affordable, more efficient, and more desirable health system for employers and workers, Committee leaders concluded.

The work of the Employer-Employee Relations Subcommittee during the 108th Congress helped to lay the groundwork for what could be significant legislative action in the 109th Congress to expand access to quality health care for millions of Americans.

STRENGTHENING UNION DEMOCRACY AND IMPROVING ACCOUNTABILITY & TRANSPARENCY ON BEHALF OF UNION MEMBERS

Strengthening the democratic rights of rank-and-file labor union members has been an ongoing priority for members of the Education and the Workforce Committee, and was a key priority for members of the EER Subcommittee in the 108th Congress.

New Union Democracy Reforms Critical To Enhance Union Leadership Accountability, Financial Transparency

During the 108th Congress, the U.S. Department of Labor moved ahead with implementation of long-overdue and much needed changes to the so-called LM-2 form, an important tool that is in-

tended to be used to ensure rank-and-file union members have access to detailed information about the financial activities of their unions. The Labor Department was strongly supported in this effort by EER Subcommittee Chairman Sam Johnson (R-TX) and Workforce Protections Subcommittee Chairman Charlie Norwood (R-GA).

Committee leaders argued an updated LM-2 form was needed to provide rank-and-file union members with the information necessary to properly ensure union democracy, fiscal integrity, and transparency in a manner consistent with the intent of Congress when it enacted the 1959 Labor-Management Reporting and Disclosure Act (LMRDA), which requires union leaders to disclose certain information to union members about their democratic rights, including information about member union dues and how they are spent. The form, Johnson and other Committee members argued, had not been significantly changed for four decades, and was terribly outdated.

“There is little financial transparency or incentive for unions to provide workers with detailed financial information,” Johnson said. “Just as we have acted to hold corporate leaders more accountable to the highest standards of financial disclosure, the action by the Department will help ensure that the country’s unions will be held to a higher standard. This means that millions of rank-and-file union members will know exactly how their hard-earned dues are spent.”

According to the U.S. Department of Labor, only the largest and most financially sophisticated unions—approximately 20% of the unions in the United States—will be materially affected by the proposed reforms. The burden of compliance, according to the Department, will be substantially reduced by new reporting software it is developing for unions to use, free of charge, in preparing and filing their reports.

Union Democracy Reforms Critical To Ensure Accountability and Transparency

Hearings in the EER Subcommittee during the 108th Congress revealed many labor unions fail to notify their members of the democratic rights guaranteed to them under the Labor Management Reporting and Disclosure Act (LMRDA), the federal law that requires union leaders to make certain disclosures to union members about their democratic rights. The hearings called attention to this ongoing problem, which Committee Republicans said undermines union accountability and leaves a disturbing number of rank-and-file union members in the dark about their rights and options.

On June 24, 2003, the Subcommittee held a hearing on three legislative proposals (H.R. 992, H.R. 993, and H.R. 994) introduced by Subcommittee Chairman Johnson to update and strengthen the LMRDA. The 1959 law was intended to protect the civil liberties of union members, provide fair elections in unions, and allow recourse in federal courts and the Labor Department if the law is abused by union leaders. The Johnson union democracy bills proposed a series of common-sense changes intended to ensure greater transparency and accountability for rank-and-file union members, and guarantee that the Labor Department has the authority to

safeguard the rights of millions of working union members across the country.

"It is clear that Congress expected through the passage of the LMRDA to ensure that union democracy would be the first line of defense against union corruption, and that, armed with knowledge, union members would elect leaders who work in their best interests, and rid themselves of corrupt union officials who serve their own interests," Johnson said at the hearing. "Since 1959, the American workforce has changed. However, the LMRDA has not."

"It is our responsibility to examine the lack of compliance and transparency of labor organizations and the lack of information for thousands of rank-and-file union members," Johnson added. "Let me be clear: I am not suggesting that we should go after the majority of law-abiding unions, but shore up loopholes for those one-third of union members who are not getting what they are entitled to: fair, accurate, and full disclosure of the facts as required by law."

Lary Yud, deputy director at the U.S. Department of Labor's Office of Labor-Management Standards, testified before the panel, noting federal statistics showing more than 43% of unions either filed their financial disclosure reports late or failed to file at all during 2002.

"A significant number of unions consistently fail to comply with the statutory requirements that they timely file annual reports with DOL detailing their finances," Yud told members. "The end result is that unions may ignore the statutorily-imposed deadline [for filing under the LMRDA] * * * without consequence." Because of deficiencies in current law, Yud added, the Labor Department "does not have sufficient enforcement tools to protect and inform union members."

Paul Rosenzweig, senior legal research fellow for the Center for Legal and Judicial Studies at the Heritage Foundation, also testified before the panel.

"Knowledge and information are among the most powerful tools in a democracy and union members are entitled to information about the activities of the organization to which they belong—just as the American public is entitled to information about Congress and shareholders are entitled to information about a corporation," Rosenzweig told members of the Subcommittee.

Rosenzweig testified in support of H.R. 993, which proposed allowing the Labor Secretary to assess civil penalties on unions and employers that either file late, or fail to file at all, financial disclosure reports.

"The imposition of civil penalties will have a deterrent effect of precisely the sort that is necessary," Rosenzweig said, adding that the bill would be an "essential tool for achieving compliance with the reporting requirements of the [LMRDA]."

On October 2, 2003, the Subcommittee approved each measure. A summary of each bill:

- The Union Members' Right-to-Know Act (H.R. 992) proposed clarifying that unions must disclose to union members certain information about their rights, such as member union dues, membership rights, member disciplinary procedures, the election and removal of union officers, the calling of regular and special meetings, and other democratic rights. Hearings revealed that many unions have argued that notifying members of their democratic rights just

once satisfies their legal obligation under the LMRDA, and that they never have to notify members again, even members who started work long after the notice took place. The bill proposed requiring unions to make these disclosures to members within 90 days of joining a union, essentially codifying the federal Fourth Circuit Court of Appeals' decision in *Thomas v. International Association of Machinists*.

- The Labor Management Accountability Act (H.R. 993) proposed allowing the Labor Secretary to assess civil penalties on unions and employers that either file late, or fail to file at all, financial disclosure reports, which give rank-and-file union members vital information about how their own union leaders spend union dues. The Labor Department has no effective enforcement authority to ensure that union leaders or employers comply with the law and file these reports, H.R. 993 supporters noted. Labor Department data from 2002 shows approximately 43% of unions either filed their forms late or did not file them at all.

- The Union Member Information Enforcement Act (H.R. 994) proposed authorizing the Secretary of Labor to investigate union member complaints of a union's failure to meet LMRDA disclosure requirements and bring suit on their behalf to enforce the law. Under current law, the Labor Department cannot enforce the law on behalf of union members, thus forcing them to hire their own attorney and challenge the legal expertise available to their union. The high cost of litigation is the main reason why unions have been able to ignore this legal obligation for more than four decades, H.R. 994 supporters argue.

Examining Efforts To Undermine the Secret Ballot Election Process

The EER Subcommittee also held hearings during the 108th Congress to investigate what many believe are increasing efforts by union bosses to circumvent current worker protection laws by abusing the secret ballot process. Circumventing the law in this manner, Committee Republicans argued, undermines union democracy and the democratic rights of individual union members.

On April 22, 2004, the EER Subcommittee held a hearing on emerging trends and tactics in labor organizing campaigns, including heightened pressure on employers to recognize unions based on a "card-check" system and therefore forego the customary secret ballot election supervised by the National Labor Relations Board (NLRB) that gives workers the ability to freely vote their conscience without fear of reprisal. The April 22 hearing was the first in a series of hearings to, as Subcommittee Chairman Johnson explained, "examine what is working and what is not: where federal labor law is played out as Congress intended, and where it has fallen short, and where and how these laws might be changed to better address the realities of the 21st century workforce."

The April 22, 2004 hearing focused on use of a "card check" system under which a union gathers "authorization cards" purportedly signed by workers expressing their desire for the union to represent them.

"The increased use of card checks, and the pressures that result from these corporate campaigns raise red flags for a number of reasons," Johnson said at the hearing. "By their very nature, card checks leave employees open to harassment, intimidation, and

union pressure, and strip workers of the right to choose, freely and anonymously, whether to unionize. Equally important, the evidence suggests that secret ballot elections are more accurate indicators than authorization cards of whether employees actually wish to be recognized by a union.”

Charles Cohen, partner at the law firm Morgan Lewis and former member of the National Labor Relations Board under President Clinton, discussed the importance of maintaining the integrity of the secret ballot election process, and cited numerous court decisions that expressed similar views. Cohen cited a court decision, *NLRB v. S. S. Logan Packing Co.*, to make his case. Cohen also disputed contentions that the NLRB’s election process is slow.

“In fiscal year 2003, 92.5% of all initial representation elections were conducted within 56 days of the filing of the petition,” Cohen told members. “Based on my experience over the past 30 years, these statistics demonstrate that the Board’s election process has become even more efficient over time.”

“Unions are currently winning over 50% of NLRB secret ballot elections involving new organizing,” Cohen added.

Clyde Jacob, partner at the law firm Jones Walker in New Orleans, Louisiana, described the corporate campaign waged against Trico Marine Services, Inc., where workers reported “abusive, coercive, and intimidating tactics in the card solicitation process.”

According to Jacob, because the company would not sign a neutrality agreement, which relies only on authorization cards for legal recognition, “it faced all manner of attacks on the corporation, including the disruption of its annual meetings and the meetings of its customers, veiled threats to customers and suppliers, attempts to hurt the company within the investment community, the disruption of trade shows and conventions at which the company attended or was featured, and threatened secondary boycotts of the company’s subsidiaries in other parts of the world, including Norway, Nigeria, Brazil, and Southeast Asia.”

“Union authorization cards play an integral role in our nation’s labor laws on union organizing. They begin the representation process—but they should never be the end of that process—that should always belong to the democratic secret ballot,” Jacob continued. “In my experience, the risk of harassment, intimidation, and forgery in the card solicitation process is too substantial to permit union cards to be a method under the Act by which a union can establish legal representation. The quiet, sober, and private atmosphere of the voting booth should be the preferred method in all cases.”

On May 12, 2004, Committee leaders, led by Workforce Protections Subcommittee Chairman Norwood, introduced the Secret Ballot Protection Act to safeguard worker rights to a secret ballot election on decisions about whether to form a union.

Under current law, Norwood noted, employers may voluntarily recognize unions based on card checks, but they are not required to do so; they may insist upon an election administered by the NLRB. The Secret Ballot Protection Act proposed prohibiting a union from being recognized based on a mere card check, providing that a union may only be recognized by an employer and certified by the NLRB if it has won majority support in a secret ballot elec-

tion conducted by the NLRB, and securing the right of every worker to a secret-ballot vote on whether to unionize.

"It's no secret that corporate campaigns to discredit employers publicly have become a key organizing tactic used by union bosses across the country," said Norwood. "It's outrageous that union bosses are using these types of tactics at the expense of secret ballot elections and depriving rank-and-file workers of the ability to freely vote their conscience without fear of retaliation."

"A worker's right to vote in a fair and secret ballot election is a fundamental right that simply cannot be taken away in order to line the pockets of union bosses," Norwood added. "This important bill ensures workers have the right to a secret ballot election, protects workers from intimidation, threats, misinformation, or coercion by union organizers, and eliminates a union's ability to pressure an employer to agree to card check recognition."

"This important measure would guarantee workers the right to an anonymous, secret ballot election conducted by the NLRB and eliminate the use of intimidation and threats by organizers to coerce workers into joining a union," said Subcommittee Chairman Johnson, an original co-sponsor of the Secret Ballot Protection Act.

On September 30, 2004, the Subcommittee held a hearing on Norwood's legislation to hear from expert witnesses on the need to protect the democratic rights of union members across the country.

Thomas Riley, a service sales representative for the CINTAS Corporation in Allentown, Pennsylvania, described his experience from an employee perspective about the union card check campaign waged against his company.

"The union started sending information to my customers, making all kinds of allegations about the company—and about the products and services that we provide," Riley recalled. "I take great pride in what I do and I was personally offended by what the union was saying to my customers."

"The union distributed notices to other unions, telling them to find ways to quit doing business with us," Riley told members. "I had one unionized customer who one day was very happy with our products and my service, and the next day stopped doing business with us. This union campaign hurt me and family directly by taking money out of my paycheck. And this is the same union that, on one hand, says it wants to represent me, while at the same time is taking food off my family's table. We shouldn't overlook the fact that it's the workers who are harmed many times by these union campaigns."

Riley concluded by saying the Secret Ballot Protection Act was necessary to "protect our democratic rights."

"We have a democratic election process. I say we use it. I say we protect it," Riley urged members.

Richard Hermanson, vice president of the independent United Screeners Association Local 1 in San Francisco, California, described similar tactics he has witnessed.

"They wait after work for the unsigned to clock out and pressure them to 'make a commitment' and sign cards," Hermanson said. "This one-on-one targeting is not merely attempts to convey information about the benefits of unionization—they are attempts to get signatures for recognition without the privacy of a secret ballot."

“The decision on whether to be represented by a labor organization is to me the most important decision an employee can make in the workplace. This decision should be determined by a secret ballot election,” Hermanson added, noting his support for the Norwood bill. “My experience over this period suggests to me that card count campaigns carry the risk of a union being granted recognition while it does not carry true majority support, that there is a big difference between a majority of signatures and majority support.”

John Raudabaugh, partner at the law firm Butzel Long and a former board member of the National Labor Relations Board, discussed the contradictory position many labor unions take with regard to secret ballot elections.

“Interestingly, while organized labor and certain legislators advance card check and eschew the secret ballot election process for certifying union representation, they embrace the secret ballot process as a check on an employer’s withdrawal of recognition,” said Raudabaugh. “Organized labor wants the deliberative secret ballot election on the ‘back end’ when loss of majority status is at issue but rejects it on the ‘front end’ when soliciting signatures to demand recognition.”

Raudabaugh described H.R. 4343 as a “limited, but critical repair to our nation’s private sector labor relations law” and said the measure would “eliminate needless litigation.”

Examining Union Salting Abuses That Harm U.S. Economy

On May 10, 2004, the Employer-Employee Relations Subcommittee held a field hearing in Round Rock, Texas, to examine union “salting” tactics designed to organize non-union workplaces—tactics many legislators believe are unfair to both employers and workers. (The practice of “salting” occurs when a union organizer or salt applies for a job at a non-union workplace with the express purpose not to work for the employer, but to encourage non-union employees to form a union, often at the expense of the health of the company and the working families that depend on its success.) Subcommittee member John Carter (R-TX) hosted the field hearing in his congressional district.

“Certain unions use ‘salts’ to cause deliberate harm to businesses by increasing their costs and forcing them to spend time, energy, and money to defend themselves against frivolous charges, and sometimes, to run employers out of business,” said Subcommittee Chairman Johnson. “An employer has little choice but to hire these individuals. If they do not, they will soon find themselves defending unfair labor practice charges at the National Labor Relations Board, which can be economically devastating.”

Rep. Carter said he’d “heard from many of our constituents that salting is an unfair practice leading to the employment of union members who are not interested in providing quality work or giving their best to their employer. As we face the challenges of job creation in this country, it is time to question a practice that in fact destroys people’s livelihoods, companies, and demolishes the American Dream. Our focus should be on helping employers create more jobs, not tearing them down and destroying them.”

Carter cosponsored legislation introduced by Subcommittee Vice Chairman Jim DeMint (R-SC), the Truth in Employment Act (H.R.

1793), which would prohibit salting practices by making clear an employer is not required to hire someone who is not a “bona fide” applicant, in that the applicant’s primary purpose in seeking the job is not to work for the employer.

Shelly Runyan, vice president of Titus Electrical Contracting in Austin, said her company had “spent over half a million dollars in legal fees, not to mention the cost of lost productivity, defending ourselves against the malicious and groundless attacks.”

Runyan described how many salts are “not legitimate employees” that “work toward the mutual benefit of the employee, employer, and customer,” but rather are “often intentionally disruptive and combative.”

“While employed by us, we have had salts physically assault our team members, they have been arrested off our jobsites, and we have lost customers because of them,” Runyan told members of the panel. “They have intentionally sabotaged and concealed electrical work, in one case causing an electrical explosion. And yet, when terminated, invariably the NLRB would attempt to prosecute charges against us for legitimate terminations.”

Tom Nesbitt, senior associate at the law firm Fulbright & Jaworski in Austin, Texas, described numerous union tactics designed to harass law-abiding companies. Nesbitt told members one of his clients was “subject to massive legal proceedings initiated without any apparent regard for the merits of the claims, and I never saw any evidence of a genuine effort by the union to be certified as the bargaining representative of my client’s employees.”

“On one of the days the union picketed in front of my client’s shop, a paid union organizer set up a video camera and proceeded to film employees, customers, and vendors who came to do business with my client,” Nesbitt recalled. “Believing this to be an attempt to intimidate employees, customers and vendors, my client decided to document the paid union organizer’s actions. My client got a camera, stepped out onto the front steps of her own place of business, and took a photograph of the paid union organizer while he made a public display of videotaping her. The union filed an unfair labor practice charge, calling this unlawful surveillance.”

Sharon McGee, president and CEO of RM Mechanical in Austin, also addressed the hearing.

“Salting is not merely an organizing tool,” McGee testified. “It has become an instrument of economic destruction aimed at non-union companies that has little to do with organizing.”

“Salting abuse uses coercive governmental power to accomplish the unions’ goals, rather than competing fairly and ethically based on merit,” said McGee. “Ultimately, it is the American taxpayer who loses by having hard-earned tax dollars go to sustain the union’s tactic of generating frivolous charges and lawsuits. The government should not be forced to use taxpayers’ dollars to support a flawed system that allows tens of thousands of cases to be brought against employers that are later dismissed as having no merit.”

The hearing was the second in a series conducted by the Subcommittee to examine federal labor law, look at current trends, and determine whether federal laws achieve their intended results.

INVESTIGATING QUESTIONABLE STOCK TRANSACTIONS AT ULLICO INC.

In 2003, the Education and the Workforce Committee completed an investigation into questionable stock transactions at the union-owned life insurance company ULLICO Inc., questioning whether the scandal-plagued company violated federal labor and pension laws. Committee Chairman John Boehner (R-OH), Employer-Employee Relations Subcommittee Chairman Sam Johnson (R-TX), and Workforce Protections Subcommittee Chairman Charlie Norwood (R-GA) led the investigation.

Based on witness testimony and more than 95,000 documents the Committee reviewed during its inquiry, Committee leaders determined serious questions existed about whether the questionable transactions at ULLICO violated federal labor law (the Labor-Management Reporting and Disclosure Act) and federal pension law (the Employee Retirement Income Security Act). Republicans noted these questions were not addressed in a report prepared by former Illinois Gov. James Thompson, who was appointed by ULLICO to do an independent investigation into the ULLICO transactions, apparently because ULLICO officials had instructed Thompson not to look into those areas.

Based on a review of these documents, the Committee held a hearing on June 17, 2003, to examine whether the members of the ULLICO board of directors who participated in alleged insider stock deals acted in the best interest of their unions and union members. At this hearing, key witnesses connected to ULLICO did little to ease congressional concerns over the possibility that the sweetheart stock deals at the union-operated company were a potential violation of federal labor and pension laws. During the hearing, former ULLICO Chairman and CEO Robert Georgine refused to testify, instead invoking his Fifth Amendment right against self incrimination.

"At the very same time that union leaders were joining the chorus of well-deserved criticism of Enron and others for corporate misconduct, ULLICO set up a system of insider stock deals that made millions for the board at the expense of rank-and-file union members," Chairman Boehner said at the hearing. "Our Committee's investigation has concluded that the union leaders who set up these sweetheart stock transactions may well have violated federal labor and pension laws."

"There are many questions that remain unanswered about the ULLICO scandal, and rank-and-file union members deserve answers," Boehner added.

"I am deeply troubled that the Committee did not hear testimony from perhaps the only person who could answer some of the tough questions, ULLICO's former chairman, Mr. Georgine," said Subcommittee Chairman Johnson. "I would have liked to ask Mr. Georgine, how is it possible that if Board members profited at the expense of these pension funds—and the record is clear that they did—did they not violate their fiduciary duties to those pension funds under ERISA?"

"When are sweetheart stock deals no longer shady stock-selling schemes? Apparently, only when the people reaping the windfalls are big labor bosses. Sadly, this came at the expense of rank-and-file union members," Johnson noted. "It's time for the Labor De-

partment to thoroughly investigate ULLICO transactions and find out once and for all who broke the law. We demand high integrity from corporate America. Let's demand high integrity from labor unions, too. It's that simple."

"The corruption and blatant disregard for workers that exists among far too many union leaders and was allowed to take place at ULLICO is troubling and simply unacceptable," added Norwood. "The rights and essential financial interests of workers should never take a backseat to the greed and personal gain of the very people they have entrusted with their hard-earned dollars. Having the Department of Labor take a closer look at the legality of what took place at ULLICO is a big step forward in ensuring that it doesn't happen again."

On October 28, 2003, the Committee released the final report on its ULLICO investigation, questioning whether the company violated federal labor and pension laws and calling on the U.S. Department of Labor to strictly scrutinize that question of law and fully investigate the matter.

SUPPORTING EFFORTS TO PRESERVE RETIREE HEALTH CARE BENEFITS

During the 108th Congress, members of the Education and the Workforce Committee strongly supported common sense proposals to preserve health care benefits for retirees across the country. On April 22, 2004, the Equal Employment Opportunity Commission (EEOC) voted to move forward with a common-sense regulation—supported by a number of key Committee Democrats and Republicans, as well as employers, workers, and organized labor—to ensure employers are not forced to reduce or eliminate retiree health benefits for millions of American seniors in order to avoid potential age discrimination liability.

Supporters of the revision argued the updated rule was needed because of a court ruling (*Erie County Retirees Association v. County of Erie*) which had determined an employer that voluntarily provides retiree health benefits is prohibited from reducing those benefits once an individual becomes eligible for Medicare. If this court decision were applied broadly, supporters argued, it would result in almost all employers reducing benefits provided to early retirees in order to meet a nondiscrimination test that would require them to provide the "same" benefits to early retirees and post-65 retirees.

The proposed EEOC rule allows retirees to continue to receive the benefits they are currently getting. Most retirees currently receive benefits that are already being coordinated with Medicare. The *Erie County* decision threatened that practice and jeopardized voluntarily provided retiree health benefits altogether. The EEOC regulation would restore the legality of the current system.

The EEOC regulation, supporters noted, would allow employers to continue to provide retirees with the health benefits they want and need, protecting the retiree health benefits of older workers so that all retirees have access to adequate health insurance. The rule, supporters noted, does not require any "cuts" to current retiree health benefits, and does not encourage employers who now offer such benefits to alter those benefits in any way. Nor does the rule affect Medicare benefits in any way, supporters pointed out.

The EEOC's proposed regulation is consistent with a letter sent by several top Committee members in December 2003 expressing

bipartisan support for the EEOC rule. The letter was signed by Education and the Workforce Committee Chairman John Boehner (R-OH), Employer-Employee Relations (EER) Subcommittee Chairman Johnson (R-TX), and Rep. Robert Andrews (D-NJ), the EER Subcommittee's ranking Democratic member.

"We should be encouraging employers to continue providing generous health benefits to retirees, and this regulation will help ensure they are able to do so without subjecting themselves to groundless charges of age discrimination," Chairman Boehner said in support of the rule. "In an era of escalating health care costs, this important clarification is necessary to help prevent Americans across the country from losing their retiree health coverage."

"The practice of providing health care benefits to those who retire before age 65 is critically important, and should be encouraged. Unfortunately, the *Erie County* court decision puts the retiree health benefits of millions of American seniors in jeopardy," said Subcommittee Chairman Johnson in support of the Commission's vote. "The Commission has taken an important step toward ensuring employers are able to continue to provide health care coverage to early retirees while still complying with age discrimination laws."

Some Committee leaders also criticized the lobbying organization AARP for opposing the proposed revision. They noted AARP's stance, if put into practice, would endanger the retiree health benefits of millions of American seniors—the very Americans AARP claims to exist to protect—by encouraging employers to drop health benefits they currently provide voluntarily.

"The AARP's stance on this EEOC regulation promotes the very result AARP says it is opposed to, and it will surely cause more workers to lose their retiree health coverage," said Chairman Boehner. "It is inconsistent for an organization to claim it supports preserving retiree health benefits while at the same time saying it opposes this proposed regulation, which the EEOC was asked to propose by both Republicans and Democrats in Congress. The AARP can't have it both ways. Its position would leave America's seniors vulnerable without their critical retiree benefits."

"The AARP should be ashamed for using misleading and deceptive scare tactics that are putting retiree health benefits in jeopardy," said Subcommittee Chairman Johnson. "We should be encouraging employers to continue providing generous health benefits to retirees, and this regulation will help ensure employers can still offer these benefits without subjecting themselves to groundless charges of age discrimination."

Committee leaders also noted the breadth and depth of support for the EEOC's decision. The rule received support from a diverse array of organizations, including the AFL-CIO, America's Health Insurance Plans, the American Benefits Council, the American Federation of State, County and Municipal Employees, American Federation of Teachers, the ERISA Industry Committee, Honeywell, the HR Policy Association, the International Association of Fire Fighters, the National Association of Manufacturers, the National Education Association, the National Rural Electric Cooperative Association, the Society for Human Resource Management, and the U.S. Chamber of Commerce.

EXAMINING THE PROMISE AND IMPLICATIONS OF GENETIC TESTING

Led by members of the EER Subcommittee, the Education and the Workforce Committee devoted time in 2003 and 2004 to a detailed examination of current laws and regulations, federal and state, that seek to promote genetic non-discrimination and individual privacy, and govern the potential use of genetic information in employer-sponsored health plans.

The EER Subcommittee, which has jurisdiction on matters relating to employer-provided health insurance and employment-related aspects of the genetic non-discrimination issue, conducted a major hearing on the issue on July 22, 2004. As part of this hearing, the Subcommittee examined efforts being taken voluntarily by employers to ban genetic discrimination, as well as the effectiveness of current laws. Witnesses urged Congress to proceed cautiously before crafting any new mandates.

"With this unprecedented potential for discovery comes an equally weighty challenge for public policymakers. That is information that seems to indicate the possibility of illness, disease, or other disorders could be used unjustly against people and their families," said Subcommittee Chairman Sam Johnson (R-TX). "Employment decisions should be based on an individual's qualifications and ability to perform a job, not on the basis of factors, genetic or otherwise, that have no bearing on job performance."

Kathy Hudson, director of the Genetics and Public Policy Center at Johns Hopkins University, compared the mapping and sequencing of the human genome to the 1969 moon landing in terms of its potential to revolutionize human society.

"Within a dozen years, it may be common medical practice to test each one of us for our individual susceptibilities to common illnesses," Hudson told members. "This knowledge will allow the use of individualized preventive medicine to maintain wellness, rather than spending society's health care resources on expensive and ineffective treatments for advanced disease."

"The challenge is to nurture scientific exploration, encourage the translation of these new discoveries into life saving medicines, and to put in place public policies that reflect our core American values that prevent the unjust, unfair, and discriminatory use of genetic information," Hudson added.

Lawrence Lorber, partner at the law firm Proskauer Rose in Washington, D.C., also testified on the topic.

"There is little to no evidence of employer collection or misuse of genetic information in today's workplace," Lorber said. "Indeed, there is but one recorded case alleging inappropriate collection and misuse of employee genetic information by a private employer. [T]he EEOC prosecuted that company under the ADA and, through settlement, recovered over \$2 million for the affected employees in addition to injunctive relief."

"Despite this lack of evidence, proponents of broad genetic legislation continue to claim that a new law imposing significant compliance costs is necessary in order to deter employers from collecting and misusing genetic information," Lorber continued. "Yet, if anything, the lack of litigation under available avenues of redress, such as the ADA, Title VII, and the multitude of state laws, indicates that existing legal protections are a more than adequate

deterrent against employer collection and misuse of genetic information.”

Tom Wildsmith, chairman of the genetic testing task force of the American Academy of Actuaries, a nonpartisan public policy organization, agreed.

“For the employment-based health insurance system, the use of genetic information in individual underwriting is not a significant issue,” Wildsmith told Subcommittee members. “Personal health information is already subject to a variety of protections.”

Subcommittee members noted several existing laws govern the privacy and use of genetic information, and protect against discrimination based on genetic factors, including Health Insurance Portability and Accountability Act (HIPAA), the 1964 Civil Rights Act, and the Americans with Disabilities Act (ADA). In addition, members noted, 32 states have enacted laws that further restrict the use of genetic information in health insurance underwriting and employment decisions.

II. HEARINGS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

February 13, 2003—Hearing on “The Pension Security Act: New Pension Protections to Safeguard the Retirement Savings of American Workers” (108–2)

March 13, 2003—Hearing on H.R. 660, “Small Business Health Fairness Act” (108–10)

June 4, 2003—Hearing on “Strengthening Pension Security: Examining the Health and Future of Defined Benefit Pension Plans” (108–18)

June 24, 2003—Hearing on “Union Democracy Reforms to the Labor-Management Reporting and Disclosure Act: H.R. 992, the Union Members’ Right-to-Know Act; H.R. 993, the Labor-Management Accountability Act; and H.R. 994, the Union Member Information Enforcement Act” (108–22)

July 15, 2003—Hearing on “Examining Pension Security and Defined Benefit Plans: The Bush Administration’s Proposal to replace the 30-year Treasury Rate” (Jointly with the Committee on Ways and Means Subcommittee on Select Revenue Measures) (108–26)

108th Congress, Second Session

March 18, 2004—Hearing on “Reforming and Strengthening Defined Benefit Plans: Examining the Health of the Multiemployer Pension System” (108–49)

April 22, 2004—Hearing on “Developments in Labor Law: Examining Trends and Tactics in Labor Organization Campaigns” (108–52)

April 29, 2004—Hearing on “Examining Long-Term Solutions to Reform and Strengthen the Defined Benefit Pension System” (108–55)

May 10, 2004—Field Hearing on “Examining Union ‘Salting’ Abuses and Organizing Tactics that Harm the U.S. Economy” in Round Rock, Texas (108–57)

June 24, 2004—Hearing on “Examining Innovative Health Insurance Options for Workers & Employers” (108–66)

July 22, 2004—Hearing on “Genetic Non-Discrimination: Examining the Implications for Workers and Employers” (108–64)

September 30, 2004—Hearing on H.R. 4343, “Secret Ballot Protection Act of 2004” (108–74)

III. MARKUPS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

April 8, 2003—H.R. 660, “Small Business Health Fairness Act of 2003” was ordered favorably reported, as amended, to the Full Committee by a vote of 13–8.

October 2, 2003—H.R. 992, Union Members Right-to-Know Act was ordered favorably reported to the Full Committee by a vote of 12–10. H.R. 993, Labor Management Accountability Act was ordered favorably reported to the Full Committee by a vote of 12–10. H.R. 994, Union Member Information Enforcement Act was ordered favorably reported to the Full Committee by a vote of 12–10.

IV. SUBCOMMITTEE STATISTICS

Total Number of Bills and Resolutions Referred to Subcommittee	123
Total Number of Hearings	12
Field	1
Joint with Other Committees	1
Total Number of Subcommittee Markup Sessions	2
Total Number of Bills Reported From Subcommittee	4

SUBCOMMITTEE ON WORKFORCE PROTECTIONS

I. SUMMARY OF ACTIVITIES

The Workforce Protections Subcommittee, chaired by Rep. Charlie Norwood (R–GA), devoted significant energy and attention during the 108th Congress to the needs of American workers and their families. The Subcommittee focused particular attention on priorities such as improving worker safety, strengthening overtime pay rights for low and middle-income workers, and allowing working parents the right to choose to spend more time with their families.

During the 108th Congress, Subcommittee members built on efforts by the Bush administration to promote voluntary cooperation programs that have proven successful in reducing workplace injuries and illnesses. On May 18, 2004, the House passed four bills sponsored by Subcommittee Chairman Norwood designed to improve job safety for working Americans. House passage of the measures helped to lay the groundwork for future work on the issue and legislative action in the 109th Congress to promote improved workplace safety.

On April 9, 2003, the full Education and the Workforce Committee approved the Family Time Flexibility Act (H.R. 1119), introduced by Rep. Judy Biggert (R–IL). The proposal called for allowing hourly private sector workers to choose paid time off as compensation for working overtime hours instead of overtime pay, giving them the same rights and choices enjoyed by government workers.

Subcommittee members also helped to lead congressional efforts to support the new worker overtime protections adopted in 2004 by the U.S. Department of Labor. The Department’s final rule, which went into effect on August 23, 2004, raised the salary threshold from \$8,060 a year to \$23,660 annually, ensuring that millions

more low-income workers are automatically entitled to overtime pay.

The following summary contains more comprehensive details about these and other activities of the Workforce Protections Subcommittee during the 108th Congress.

ENHANCING WORKER SAFETY, PROMOTING FAIRNESS FOR SMALL BUSINESSES

Workforce Protections Subcommittee members, led by Subcommittee Chairman Charlie Norwood (R-GA), worked tirelessly during the 108th Congress to promote efforts to improve workplace safety and reduce workplace injuries and illness. Subcommittee members focused on ensuring Occupational Safety and Health Administration (OSHA) enforcement efforts are undertaken in an evenhanded manner that promotes fairness for small business owners making good faith efforts to comply with health and safety laws. Improving worker safety and health is good for workers and enhances competitiveness for employers, Subcommittee members argued, particularly for small businesses that are the engine of economic growth and job creation in the 21st Century economy.

Subcommittee members used the hearing process to learn about OSHA regulations, which have historically been among the most complex and difficult legal requirements imposed on employers. For many employers, especially smaller employers, compliance with OSHA regulations is a challenge even with help from experts, Subcommittee members learned.

During a Subcommittee hearing, held on July 17, 2003, Brian Landon, owner and operator of Landon's Car Wash & Laundry in Canton, Pennsylvania, testified about his experiences as a small business owner and the struggles he and other small employers face as they seek to comply with complex OSHA regulations and the enforcement of citations.

"Employers aren't looking for ways to get around OSHA, we are just trying to decipher the myriad of regulations that the laws present," Landon testified. "Employers like myself put the highest premium on the safety and health of our employees."

Arthur Sapper, a member of the OSHA Practice Group of the law firm of McDermott, Will & Emery, and a noted practitioner of OSHA law for nearly 30 years, discussed the disparities that exist between large and small employers in defending against OSHA citations.

"Large employers can afford to hire experienced OSHA counsel, find the evidence proving that OSHA's position is 'unreasonable,' and bear the litigation costs," Sapper testified. "But small employers have no such hope. The result is occasional justice for large employers and no justice for small ones."

A Government Accountability Office (GAO) report released on March 30, 2003, said voluntary partnerships between OSHA and employers "have considerably reduced their rates of injury and illness" and have fostered "better working relationships with OSHA, improved productivity, and decreased worker compensation costs."

Workplace injuries and fatalities declined significantly during President Bush's first term, a fact that was highlighted by Subcommittee Republicans during the closing days of the 108th Congress. In a statement praising outgoing Assistant Secretary of

Labor for Occupational Safety and Health John Henshaw, Reps. John Boehner (R-OH), chairman of the Education and the Workforce Committee, and Norwood noted that the workplace fatality rate had declined by 11% over the previous five years.

In order to build on these efforts, on May 18, 2004, the House passed four bills sponsored by Norwood designed to improve workplace safety, enhance business competitiveness, and foster more job creation to spur the economy. The measures called for improving worker safety by making it easier for employers to work voluntarily and proactively with OSHA to ensure safe and secure workplaces. The four bills collectively proposed:

- **Allowing Small Businesses to Have their Day in Court.** The Occupational Safety and Health Small Business Day in Court Act (H.R. 2728) called for giving the Occupational Safety and Health Review Commission (OSHRC) additional flexibility to make exceptions to the arbitrary 15-day deadline for employers to file responses to OSHA citations when a small business misses the deadline by mistake or for good reason. Under current legal interpretation, employers who fail to meet this 15-day deadline lose their right to a day in court, regardless of whether there were intervening circumstances that caused an employer to inadvertently miss the deadline. Subcommittee members argued the bill would restore some common-sense and flexibility to the law. On May 18, 2004, the House passed the measure by a vote of 251-177, with 27 Democrats supporting the bill.

- **Ensuring a Timely Review of Backlogged Cases.** The Occupational Safety and Health Review Commission Efficiency Act (H.R. 2729) called for increasing the membership of OSHRC from three to five members to ensure cases are reviewed in a timely fashion. Because a quorum of two (of the three) commissioners is needed for decision-making, OSHRC has in the past been unable to act at all. The appointment process is sometimes controversial, Subcommittee members noted, leading to vacancies, and sometimes Commissioners must recuse themselves from consideration of cases, meaning a situation is created where even if there is one seat open, there is no working quorum. Subcommittee members argued increasing membership to five Commissioners would help ensure that cases are reviewed in a more timely fashion. On May 18, 2004, the House passed the bill by a vote of 228-199, with six Democrats voting for the measure.

- **Establishing Independent Review of OSHA Citations.** The Occupational Safety and Health Independent Review of OSHA Citations Act (H.R. 2730) proposed restoring independent review of OSHA citations by clarifying that OSHRC is an independent judicial entity given deference by courts that review OSHA issues. Congress passed the OSHA law only after being assured that judicial review would be conducted by “an autonomous, independent commission which, without regard to the Secretary, can find for or against him on the basis of individual complaints.” Subcommittee members argued the bill would restore the original system of checks and balances intended by Congress when it enacted the OSHA law and ensures the Commission (“the Court”), and not OSHA (“the prosecutor”), would be the party who interprets the law and provides an independent review of OSHA citations. On

May 18, 2004, the House passed the measure by a vote of 224–204, with nine Democrats supporting the bill.

- **Allowing Small Employers to Recover Attorneys’ Fees.** The Occupational Safety and Health Small Employer Access to Justice Act (H.R. 2731) called for leveling the playing field for small businesses and encouraging OSHA to better assess the merits of a case before it brings unnecessary enforcement actions to court against small businesses. Under current law, the Equal Access to Justice Act (EAJA) allows small business owners to recover attorneys’ fees if the owner successfully challenges a citation. However, if OSHA can establish that its enforcement action was “substantially justified” or the result of “special circumstances,” small businesses can be refused attorneys’ fees even if OSHA loses the case in court, Subcommittee members noted. Historically, the law’s “substantially justified” and “special circumstances” standards have made it easy for OSHA to prevent recovery under this broad standard, so attempts by small business owners to recover costs often merely exacerbate the financial harm caused by OSHA’s dubious enforcement actions. On May 18, 2004, the House passed the bill by a vote of 233–194, with 16 Democrats voting for the measure.

The progress made during the 108th Congress helped lay the groundwork for what is expected to be renewed action in the 109th Congress, as efforts to improve the health and safety working conditions for American workers continue to be a top priority for members of the Subcommittee on Workforce Protections.

UPDATING OUTDATED LABOR LAWS TO GUARANTEE OVERTIME PROTECTIONS FOR MILLIONS OF AMERICANS

Members of the Subcommittee on Workforce Protections worked closely with the Bush administration during the 108th Congress to give overtime protections to millions of American workers in danger of being denied overtime pay due to outdated federal labor laws.

At the outset of the 108th Congress, federal regulations implementing the Fair Labor Standards Act (FLSA), the federal law guaranteeing overtime rights and other protections to workers, had not been substantially changed in more than five decades. As a result of these antiquated laws, Bush administration officials argued, overtime pay could be unfairly denied to someone earning as little as \$8,060 a year.

On August 23, 2004, new U.S. Department of Labor rules were put into effect by the Bush administration specifying that any worker earning less than \$23,660 annually is automatically entitled to overtime pay. Under the final rule, thousands of workers who previously were denied overtime rights immediately became eligible for overtime pay. The Department’s final rule raised the previous \$8,060 salary threshold almost threefold.

Some attempted to portray the new rules as an attack on American workers, falsely claiming the rules would “eliminate” overtime pay for blue collar (low and middle-income) workers and strip protections away from firefighters, police, and workers in other key professions.

The attacks, however, were challenged by the Labor Department, which noted the final overtime rule makes clear that blue collar and union workers do not lose overtime, clearly stating that “blue

collar” workers are entitled to overtime pay and that neither the FLSA nor the final rule relieved an employer from its contractual obligations under a collective bargaining agreement. The Labor Department also noted the final rule strengthens overtime protections for police officers, fire fighters, paramedics, EMTs, first responders, and licensed practical nurses, ensuring that workers in these occupations cannot lose their overtime rights. The rule also clarifies that veterans do not risk losing overtime, specifying that veteran status does not affect a worker’s overtime pay.

On June 10, 2003, Subcommittee Republicans led efforts in the House to help defeat, by a vote of 213–210, an anti-worker amendment designed to undercut the new overtime protections.

“The Labor Department’s proposed regulations aim to expand the pocketbooks of more working families, not trial lawyers,” said Education and the Workforce Committee Chairman John Boehner (R–OH) during debate on the amendment. “The only people guaranteed protection under the amendment we rejected would have been trial lawyers who will continue to work overtime suing innocent employers.”

“The amendment was a brazen attempt to muddy the waters and create further confusion as to who is eligible to receive overtime and who is not,” Subcommittee Chairman Charlie Norwood (R–GA) said in a statement after the amendment was defeated. “Congress should not act to line the pockets of trial lawyers at the expense of working families.”

At a hearing on April 28, 2004, U.S. Secretary of Labor Elaine Chao testified before the Education and the Workforce Committee regarding the proposed overtime rule changes.

“I’m pleased the Labor Department has worked hard to address legitimate concerns raised by both workers and employers,” said Boehner at the hearing. “Clearer rules will reduce the cost of litigation, encourage employers to hire more workers, and strengthen current law overtime protections for American workers. This is especially important for the millions of low-wage workers who will receive new overtime pay protections under the final rule.”

Employer-Employee Relations Subcommittee Chairman Sam Johnson (R–TX) praised the Department for crafting the rule in a manner that gives clear protections to veterans.

“Having fought in two wars myself, I was particularly angered over the undue anxiety that was placed on those proud veterans who have successfully transitioned into the civilian workforce,” Johnson said at the hearing. “It is obvious that critics scripted their opposition before even seeing the final regulations.”

“The final rule successfully addresses the concerns that have been raised and is much stronger as a result,” testified Secretary Chao. “Under the rulemaking process, we have made significant changes from the proposal and we believe the final product is better in every way, and a significant improvement over the old, confusing regulations that have not been updated for decades.”

“In the course of issuing these regulations, a great deal of misinformation has surrounded their impact. They have been unfairly characterized as taking away overtime pay from millions of Americans when the exact opposite is true,” Secretary Chao told Committee members at the hearing. “That is why we took the extra step of spelling out in the regulations who is not affected by the

new rules. We want police officers, fire fighters, paramedics, emergency medical technicians, public safety employees and licensed practical nurses to know that the new regulations will better protect their overtime rights, not harm them.”

David Fortney, partner at the law firm Fortney & Scott, told panel members at the April 28, 2004 hearing how current vague regulations can result in unintentional noncompliance and frivolous lawsuits.

“The significant increase in employment claims is a clear indication that the current rules are not working. Why should we have escalating claims when the rules have not changed?” Fortney asked.

“In my experience, the explanation of these unacceptable developments is simple—plaintiffs’ lawyers have discovered that the outdated regulations provide an excellent basis for filing ‘gotcha’ claims that primarily benefit the attorneys,” added Fortney. “Moreover, under the current outdated rules, employers often are required to secure expensive legal guidance on what is required to secure compliance, and even then the best that typically can be provided is somewhat guarded advice. As one of our clients once asked me, why should extensive good faith compliance efforts have the same feel as spinning a roulette wheel?”

At the hearing, Dr. Ronald E. Bird, chief economist at the Employment Policy Foundation, described changes in the workforce that had taken place over the last 60 to 70 years, highlighting the need for modernizing the outdated regulations.

“In 1940, it was not uncommon for the typical worker to be a high school dropout; over three-quarters of all adult workers had never finished high school. Today, over 58 percent of the population age 16 and older has at least some college-level education,” Bird testified. “These changes have blurred the definition of professional work as currently defined in the regulations and make the classification of employees under the regulations more complex. Given the dramatic changes in work and the workforce, the Department of Labor was justified in following a process to revise the white collar regulations.”

LETTING BUSY WORKING MOTHERS AND FATHERS CHOOSE MORE TIME WITH FAMILY

The need for greater workplace flexibility in a changing economy was an important focus for the Workforce Protections Subcommittee during the 108th Congress. The Subcommittee, chaired by Rep. Charlie Norwood (R-GA), led efforts to modernize outdated workforce laws and give parents more flexibility to spend more time with their families. Subcommittee members argued American workers, particularly working mothers and fathers, should be able to choose to spend more time with their families, as most public sector workers are already allowed to do.

Through the hearing process, Subcommittee members learned working men and women are finding it increasingly difficult to balance family and work responsibilities, and unfortunately their employers are hampered by an outdated federal law in their attempts to accommodate worker requests for more family time and flexible work schedules. While flexible work schedules have been available to public sector workers for years, private sector employees are de-

nied these benefits because of an outdated 1938 law that does not meet the needs of workers in the modern economy.

To address this problem, Subcommittee Vice Chair Judy Biggert (R-IL) introduced the Family Time Flexibility Act (H.R. 1119), legislation which sought to offer a workable solution to the problem for both employers and workers attempting to balance work and family responsibilities. Specifically, the bill proposed allowing working men and women, through an agreement with their employer, to choose paid time off as compensation for working overtime hours.

This flexible working arrangement, known as “compensatory time,” was designed to help working men and women achieve a greater balance between family and work obligations. Subcommittee members noted the proposal would remove obstacles in federal law that prevent many employers from providing hourly paid workers increased flexibility to spend time with family, attend teacher conferences, care for an ill relative, extend maternity and paternity leave, or accommodate other family needs that may arise.

Biggert was joined by original cosponsors House Republican Conference Chairman Deborah Pryce (R-OH), Rep. Jennifer Dunn (R-WA), and Rep. Marsha Blackburn (R-TN) at a press conference to formally introduce the bill on March 6, 2003. The bipartisan measure was supported by more than 100 cosponsors, including Democratic Reps. William Lipinski (D-IL) and Charles Stenholm (D-TX). The bill was also supported by the U.S. Department of Labor.

“Today’s working women face the challenge of balancing the needs of family with the demands of work schedules,” said Biggert at the bill introduction press conference. “For far too many women, inflexible work schedules prevent them from addressing family emergencies, attending teacher conferences, and dealing with the many family needs that arise unexpectedly throughout the course of a typical month or year. Family time will provide a powerful new tool to help working women balance the needs of their careers and families.”

“Good government should empower people to work together. This bill makes families a priority by expanding compensation options so Mom and Dad can be there for their kids,” said Committee member Marsha Blackburn at the press conference. “Jobs in the 21st century are increasingly complex with fewer men and women working 9 to 5 shifts, so our laws should reflect how our lifestyles have changed.”

“Employees in the public sector have enjoyed the benefits of ‘family time’ for 15 years,” U.S. Secretary of Labor Elaine Chao said in support of the measure. “The legislation introduced will help all working people better balance the obligations of their jobs and families.”

At a March 12, 2003 Workforce Protections Subcommittee hearing, witnesses testified about the benefits of family time flexibility that has been in use by public sector employees for years, and how such benefits could be employed in the private sector.

“As a working mother, it is very stressful to be at work when your children are in someone else’s care,” testified Teri Martell, an electrician at the Eastman Kodak Company. “In 1993, if I had been allowed to save up some overtime hours, I could have used that time during those emergencies. Just like Kodak needs me during

machine breakdowns, my family needs me too, during healthcare breakdowns.”

At the hearing, Houston Williams, the CEO and Chairman of PNS, Inc. in San Jose, California, described how his company works hard to accommodate situations when parents must bring their child to work because of school or day care issues that may arise.

“While I work hard to accommodate these situations through a flexible policy of allowing my employees to bring children to work if necessary, passage of this bill would allow me to offer these parents a better option—an opportunity to accumulate a bank of paid time off that could be used for unexpected emergencies like these,” testified Williams. “Given the opportunity, I think many employees would choose to use paid compensatory time for situations such as this rather than bringing their children to work or taking unpaid time off.”

John Dantico, the managing principal and comptroller at James & Scott Associates in Northbrook, Illinois called the Fair Labor Standards Act a “rigid Depression era law” that denies working men and women the opportunity to use more flexible work schedules.

A benefits and human resources expert, Dantico told Subcommittee members at the hearing the proposed bill was “a major step toward creating flexibility where it is absent, yet where it is needed the most—in the workplace for the working families of this nation.”

Subcommittee Chairman Norwood said one of the key features of Biggert’s family-friendly legislation was “it gives each employee the ability to make this choice for him or herself, based on his or her own personal priorities—not those of the federal government or a 1938 wage-and-hour law.”

On April 9, 2003, the Education and the Workforce Committee approved the Family Time Flexibility Act. A disinformation campaign launched by union bosses and lobbying groups against the Biggert bill falsely asserted that the bill would permit employers to force workers to accept time off in lieu of overtime pay. Committee Chairman John Boehner (R-OH) condemned the disinformation effort in 2003, calling it a “campaign of lies” that was delaying the enactment of common-sense labor law revisions at the expense of working parents.

In 2004, President Bush renewed calls for enactment of “family time” legislation, and the initiative is expected to be revisited by Committee members during the 109th Congress.

ENSURING TIMELY DELIVERY OF WORKERS’ COMPENSATION BENEFITS FOR ENERGY EMPLOYEES

Education and the Workforce Committee Republicans during the 108th Congress led efforts to ensure the timely delivery of workers’ compensation benefits under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) to energy employees for illnesses resulting from exposure to toxic substances at Department of Energy facilities.

On October 9, 2004, the House and Senate overwhelmingly approved legislation (included in H.R. 4200, the Department of Defense Authorization conference report) to include these reforms.

President Bush signed the measure into law on October 28, 2004. As a result of the new law, the Labor Department will now administer the new benefit program, which is intended to provide a simple, fair, and uniform workers' compensation system for energy workers.

The issue was the subject of an October 30, 2003 hearing before the Workforce Protections Subcommittee—chaired by Rep. Charlie Norwood (R-GA)—which examined the effectiveness of the workers' compensation program.

“This program is important because it provides compensation to Americans who suffer from illnesses as a result of work performed in the production and testing of U.S. nuclear weapons,” said Norwood at the hearing.

There was a need to examine the “effectiveness of the Department of Labor's role in this workers' compensation program, and whether the claims processing, communication, and payment procedures for eligible employees has been sufficient in meeting their needs and furthering the goal of this program,” Norwood said.

At the hearing, Shelby Hallmark, director of the Office of Workers' Compensation Programs at the U.S. Department of Labor, cited statistics on how the Labor Department has exceeded its own internal performance goals for 2003 for reviewing and processing claims.

“The program instituted an intensive accountability review process to ensure that samples of case work are scrutinized by objective reviewers, and where quality issues are identified in these samples, to take strong and immediate corrective action,” Hallmark testified.

As of November 25, 2004, the Labor Department had received 60,368 claims, gave final approval for 14,901 claims, issued final denials in 20,363 claims, and made compensation payments of \$953 million to 12,578 individuals.

PROMOTING WORKER SAFETY AND PRESERVING TRADITIONS IN RELIGIOUS COMMUNITIES

During the 108th Congress, Subcommittee members led efforts to successfully enact legislation to allow religious communities to continue the traditional way of training their children in a craft or occupation while ensuring the safety of those who are employed in woodworking occupations. The reforms were passed by Congress as part of the FY 2004 omnibus appropriations bill. President Bush signed the measure into law on January 23, 2004.

The enacted measure is similar to H.R. 1943, which was introduced by Rep. Joseph Pitts (R-PA), and the subject of a hearing before the Workforce Protections Subcommittee on October 8, 2003.

Rep. Charlie Norwood (R-GA), chairman of the Subcommittee, was a leader during the 108th Congress on efforts to enact new protections for religious communities. During the October 8 hearing, Norwood said the Pitts bill would make sure “youth whose religious faith and beliefs dictate that they ‘learn by doing’ are afforded an opportunity to do so, and that the federal government—however well-meaning—does not endanger the belief and culture of these young people and their families.”

The new law creates a common-sense exception to the Fair Labor Standards Act (FLSA) that ensures religious communities can pre-

serve their long-established way of raising and training their children.

SUBCOMMITTEE EXAMINES KELLER BILL TO HELP RESTORE U.S. JOBS
IN THE RECREATIONAL BOATING INDUSTRY

In the 108th Congress, the Workforce Protections Subcommittee examined the implications of the federal Longshore Act and its impact on jobs in the U.S. boating industry. The Subcommittee held a hearing on July 15, 2004, to examine legislation proposed by Rep. Ric Keller (R-FL) that was intended to restore U.S. jobs in the recreational boating industry that have been lost to foreign competition overseas. The measure—the Recreational Marine Employment Act (H.R. 1329)—was supported by 26 cosponsors, including five Democrats.

Some estimates indicate one in five boat projects have migrated from the U.S. to Canada because of the cost of mandating duplicative insurance coverage, Subcommittee members learned through the July 15 hearing. The additional insurance requirements imposed by the Longshore Act on some U.S. businesses puts them at a competitive disadvantage to Canadian foreign competition and have cost jobs for American workers as a result, members were told.

At the hearing, Keller described a meeting of constituents in the recreational marine industry who came to his office.

“One built recreational boats. Another repaired recreational boats. And a third ran a marina. They all had something in common. All of them operated small, family-owned businesses. All of them wanted to hire more employees, and expand their businesses. And all of them had one problem,” Keller said. “That is, all of them were forced to pay unnecessary and exorbitant insurance premiums under the Longshore and Harbor Workers Compensation Act.”

Congress in 1984 exempted employees in the recreational boating industry, specifically boats 65 feet and under, from the Longshore Act. Work performed on these boats is instead covered under state workers’ compensation laws. Over the past 20 years, Subcommittee members argued, there has been tremendous growth in the number of recreational boats that measure 65 feet or longer, so current law is outdated and arbitrarily imposes additional requirements on some U.S. businesses that puts them at a competitive disadvantage to Canadian foreign competition.

“The practical impact of this limitation has been for thousands of jobs to be lost to other countries because of the increased cost of doing business here at home,” said Workforce Protections Subcommittee Vice Chair Judy Biggert (R-IL) at the hearing.

“By switching to state workers’ compensation coverage, which is two to four times less expensive as Longshore coverage, these small businesses would in many instances use the savings to expand their businesses, expand their workforces and update and enhance their production processes,” testified Larry Nelson, vice president of administration for Westport Shipyard in Westport, Washington.

“Workers in the recreational boat building industry do not face the dangers that longshoremen and stevedores face,” testified Nelson, citing studies that show the safety differences between recreational boat building and Longshore-protected ship building. “Rather, they face no greater risks than those faced by other land-

based workers in the manufacturing industry. Further, the resources spent on Longshore coverage could be better utilized by the small businesses to strengthen their businesses and their livelihood.”

“Due to the high costs of purchasing Longshore insurance premiums, businesses like ours have experienced negative consequences in competing for business,” testified Kristina Hebert, president of Ward’s Marine Electric in Fort Lauderdale, Florida. “In the case of Florida, many boat owners are choosing to have work done in the Bahamas and Caribbean.”

Hebert said one of the main reasons costs are lower is “employers there do not have to pay the extremely high cost of Longshore coverage and can therefore outbid American businesses.”

Hebert testified that “employers like Ward’s Marine Electric would save approximately \$200,000 a year by not having to purchase the unnecessary and duplicative Longshore insurance” and agreed with other witnesses this money could “instead be used to expand our services, increase our employees’ wages, and hire more skilled workers.”

Ian Greenway, president of LIG Marine Managers, a provider of commercial marine insurance, used the hearing to dispute the notion there was an increased safety risk for boats greater than 65 feet in length that justified the exorbitant expense of Longshore coverage.

“There is no difference in the risks associated with repairing the plumbing, air conditioning or radio on a 75-foot recreational boat as compared to a 65-foot recreational boat,” Greenway testified. “In fact, current insurance data demonstrates that claims for these larger vessels are significantly lower. Claims for workers on vessels of 65–150 feet are at least 38 percent lower than those on vessels under 65 feet. We see not only fewer injuries but also fewer serious injuries in larger recreational boats than we do in their smaller counterparts.”

The proposed Keller bill would “provide an economic boost to employers, allowing them to expand their operations and hire new employees, all while leaving the traditional Longshore employees unaffected,” Greenway concluded.

The facts garnered by the Subcommittee during the 108th Congress could serve as the basis for future action to move the proposal forward in the 109th Congress and help restore, preserve, and boost U.S. job growth in the recreational boating industry.

SUBCOMMITTEE EXAMINES EFFECTIVENESS OF FEDERAL EMPLOYEES’ COMPENSATION ACT

During the 108th Congress, the Workforce Protections Subcommittee examined the Federal Employees’ Compensation Act (FECA), the federal program administered by the Department of Labor that provides benefits to federal employees injured in the course of their work for the government.

Witnesses at a May 13, 2004 Subcommittee hearing assessed the overall effectiveness of the workers’ compensation program and also examined whether claims processing, communication, and payment disbursements were meeting the needs of injured federal workers and the overall goals of the program.

"The Subcommittee continues to hear complaints from claimants, medical providers and other Congressional offices about the difficulty in communicating with the Office of Workers' Compensation Programs, which administers FECA," said Subcommittee Chairman Charlie Norwood (R-GA) at the hearing.

"One of my colleagues from Texas recently forwarded a letter to me from a constituent who is a physician with experience in treating injured federal workers," Norwood detailed. "The physician points out that he has now stopped seeing new patients with federal workers' compensation claims, as have many of his colleagues, because of the repeated delays and denials for surgery requests. In his experience, the typical delays for surgery approvals run anywhere from six months to a full year."

"These kinds of delays can impact the entire system by significantly increasing the amount of time that workers remain off the job," added Norwood. "While I know that the agency receives and processes a vast amount of mail, medical bills and phone calls each year, the program must continue to improve its performance in these areas to benefit workers who need these critical services."

The 88-year old FECA program covers some three million federal workers and provides a variety of benefits for employees injured in the performance of their duties, including payments for medical care, wage-loss compensation for total or partial disability, schedule awards for certain injuries, and assistance in returning to work, including vocational rehabilitation.

Subcommittee members noted FECA also provides benefits to the survivors of federal employees who die in the performance of their work for the federal government. In FY 2003, the program paid more than \$2.3 billion in benefits to approximately 280,000 individuals.

Committee member Rep. Jim Greenwood (R-PA) said during the hearing Congress needed to learn more about the FECA program to ensure injured federal employees are provided with timely workers' compensation benefits.

"I hope that this hearing today will provide us with a foundation of understanding," Greenwood said. "It is critical that we learn how this important program operates and its overall effectiveness on behalf of workers. We want to build on the program's successes and correct weaknesses."

Witnesses before the Subcommittee provided members with information about the program, highlighted the objectives of a workers' compensation system and the role government should play in the system, and suggested areas of improvement that would benefit claimants and taxpayers.

Shelby Hallmark, director of the Office of Workers' Compensation Programs (OWCP), told Subcommittee members the agency has "made major progress, but we still have major challenges, especially in achieving appropriate return-to-work outcomes."

Hallmark highlighted the importance of strengthening return to work initiatives such as President Bush's Safety, Health and Return-to-Employment (SHARE) program, which was introduced in January 2004. The program "directs federal agencies to set goals and track results in four areas: lowering workplace injury and illness case rates; lowering lost-time injury and illness case rates; re-

porting injuries and illnesses in timely fashion; and reducing days lost from work injuries and illnesses,” he said.

Elliot Lewis, assistant inspector general for audit at the Labor Department, explained the importance of effective management of the FECA program.

“The FECA program affects the budgets of all federal agencies, and quasi-federal agencies such as the Postal Service. Effective management of the FECA program works to the benefit of every claimant, federal agency and taxpayer,” testified Lewis.

At the hearing, Lewis highlighted a number of continuing problems, however, including an audit which found “the lack of current medical evidence in 18 percent of sampled cases, which appeared to be due to OWCP’s failure to comply with its own procedures rather than a lack of responsiveness on the part of the claimant.”

Lewis also said the inspector general’s office had “made recommendations to OWCP for improvement in the areas of customer service and program integrity and OWCP has recognized the need to implement changes in response to our concerns.”

Allan Hunt, the executive director for employment research at the Upjohn Institute in Kalamazoo, Michigan, who has studied the FECA program, testified that there was room for improvement in administering the program but also highlighted some areas of program success.

He said OWCP had developed a “loss production days performance measure” that had helped the agency “minimize work time lost to occupational injury and illness.” As a result, Hunt said OWCP had been able to drive the “lost production day rate down by one-third in the past decade.”

This oversight hearing helped lay the groundwork for future efforts in the 109th Congress to examine possible reforms to FECA programs that assist employees in returning to work.

II. HEARINGS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

March 12, 2003—Hearing on H.R. 1119, “Family Time Flexibility Act” (108–7)

June 17, 2003—Hearing on H.R. 1583, “Occupational Safety and Health Fairness Act of 2003; Small Business and Workplace Safety” (108–20)

September 17, 2003—Hearing on “H.R. 2731, Occupational Safety and Health Small Employer Access to Justice Act of 2003” (108–31)

October 8, 2003—Hearing on “H.R. 1943, Legislation Amending the Fair Labor Standards Act to Permit Certain Youth to Perform Certain Specified Work” (108–37)

October 30, 2003—Hearing on “Energy Employees Workers’ Compensation: Examining the Department of Labor’s Role in Helping Workers with Energy-Related Occupational Illnesses and Diseases” (108–41)

108th Congress, Second Session

May 13, 2004—Hearing on “Examining the Federal Employees’ Compensation Act and Its Benefits for Workers” (108–59)

July 15, 2004—Hearing on “H.R. 1329, Recreational Marine Employment Act of 2003” (108–69)

III. MARKUPS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

April 3, 2003—H.R. 1119, Family Time Flexibility Act was ordered favorably reported to the Full Committee by a vote of 8–6.

July 24, 2003—H.R. 2728, Occupational Safety and Health Small Business Day in Court Act of 2003 was ordered favorably reported to the Full committee by voice vote. H.R. 2729, Occupational Safety and Health Review Commission Efficiency Act of 2003 was ordered favorably reported to the Full committee by a vote of 7–6. H.R. 2730, Occupational Safety and Health Independent Review of OSHA Citations Act of 2003 was ordered favorably reported to the Full committee by a vote of 7–6.

IV. SUBCOMMITTEE STATISTICS

Total Number of Bills and Resolutions Referred to Subcommittee	88
Total Number of Hearings	7
Field	0
Joint With Other Committees	0
Total Number of Subcommittee Markup Sessions	2
Total Number of Bills Reported From Subcommittee	4

SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS

I. SUMMARY OF ACTIVITIES

In the 108th Congress, the Subcommittee on 21st Century Competitiveness undertook a bold agenda for education and job training reform, holding no fewer than 14 hearings and moving forward with numerous pieces of legislation to help bolster American competitiveness and encourage constant improvement in education.

The panel’s legislative focus throughout the 108th Congress was particularly consistent with testimony given before the full Committee on March 11, 2004 by Federal Reserve Board Chairman Alan Greenspan. During the March 11 hearing, Greenspan said strengthening education and worker training systems and supporting innovation are essential to creating jobs and sustained economic growth for American families.

The Subcommittee on 21st Century Competitiveness, chaired in the 108th Congress by Rep. Howard P. “Buck” McKeon (R–CA), has jurisdiction over the Higher Education Act, America’s job training system under the Workforce Investment Act, welfare reform legislation, and many other federal laws that play a vital role in helping to equip Americans with the tools to compete and prosper in the 21st Century economy.

A major focus of the 21st Century Competitiveness Subcommittee during the 108th Congress was reauthorization of the Higher Education Act (HEA), the primary federal law overseeing postsecondary education and student financial assistance. At the outset of the 108th Congress, Education and the Workforce Committee Chairman John Boehner (R–OH), Subcommittee Chairman McKeon and others noted with concern that federal higher education spending has been soaring, reaching nearly \$100 billion annually. They

vowed to give students, parents, and taxpayers new tools to enable them to know what they're getting in exchange for that investment.

The Subcommittee held numerous hearings on topics under the HEA, ranging from how Americans must confront the college cost crisis to whether non-traditional colleges and universities are treated fairly to whether taxpayers are vulnerable to bogus institutions known as "diploma mills." Subcommittee members, led by Chairman McKeon, took a bold stand against the hyperinflation of college costs, noting that the high cost of college is pricing millions of low and middle-income students out of the dream of a higher education.

Job training was also a priority for the Subcommittee in the 108th Congress. On May 8, 2003, the House approved the Workforce Reinvestment and Adult Education Act (H.R. 1261). That bill, introduced by Boehner and McKeon, sought to strengthen job training and workforce development programs under the 1998 Workforce Investment Act (WIA). The bill proposed removing barriers to religious and faith-based organizations seeking to participate in the job training programs. It also sought to give governors and local communities new tools to use federal WIA resources to meet the needs of Americans seeking jobs and job training.

The Subcommittee also successfully led the way in the House for creation of Personal Reemployment Accounts (PRAs), an innovative job training tool proposed by President Bush during the economic recovery effort for American workers struggling to find good new jobs. Rep. John Porter (R-NV) introduced legislation to create the accounts, and the House passed a Porter-authored bill to establish them in 2004. Later in 2004, the U.S. Department of Labor adopted a PRA pilot project that provides the accounts to workers in a limited number of states, laying the groundwork for future expansions of PRAs for workers in the 109th Congress.

Following are more comprehensive details of the activities of the Subcommittee on 21st Century Competitiveness in the 108th Congress (January 2003—December 2004).

EFFORTS TO EXPAND COLLEGE ACCESS FOR LOW AND MIDDLE-INCOME STUDENTS

A longtime leader in higher education policy, and particularly in confronting the troubling trend of rapidly rising college costs that harm students and families, 21st Century Competitiveness Subcommittee Chairman Howard P. "Buck" McKeon (R-CA) led a groundbreaking effort during the 108th Congress to address America's college cost crisis and reform federal higher education programs to expand college access for low and middle-income students.

The College Cost Crisis

The issue of skyrocketing tuition costs at colleges and universities across America played a prominent role in the Subcommittee's efforts to reform the Higher Education Act (HEA), the nation's primary federal higher education law. Chairman McKeon convened several hearings on issues of affordability in higher education, held a roundtable discussion with higher education stakeholders, and authored a report, "The College Cost Crisis," with Committee Chairman John Boehner (R-OH) to further examine the issue. The

College Cost Crisis report is discussed in greater detail in the Full Committee activities section of this report.

On July 10, 2003, the Subcommittee heard testimony from leaders in college affordability from several colleges and universities. Witnesses discussed successful efforts to rein in skyrocketing college cost increases without sacrificing program quality, and explored how these solutions could translate on a national scale to help ensure low-income students are not prevented from receiving a college education simply because of the hyperinflation of college costs.

"According to the Advisory Committee on Student Financial Assistance, cost factors prevent 48 percent of all college-qualified, low-income high-school graduates from attending a four-year college and 22 percent from pursuing any college at all," said McKeon at the hearing. "At the rate we are going, by the end of the decade, more than two million college-qualified students will miss out on the opportunity to go to college."

"As college prices have continued to rise, the federal government has repeatedly increased financial support for higher education. In the four years since the last reauthorization of the Higher Education Act, federal student aid has grown by more than \$23 billion," said McKeon. "Last year, Congress also raised the maximum Pell grant to \$4,050 a year. Student loan interest rates are at their lowest levels in the program's 38-year history."

Despite the financial commitment made by the federal government, which in 2003 invested roughly \$90 to \$100 billion in higher education, college cost increases continue to price a significant number of students out of the college market, McKeon noted at the hearing. The hearing featured testimony from witnesses representing institutions that had recently bucked the national trend and actually lowered or limited tuition increases for students and parents.

Dr. Patrick Kirby, dean of enrollment services at Westminster College in Fulton, Missouri, discussed how his University had successfully managed to not only keep costs from rising too rapidly, but actually managed to lower its tuition in an effort to attract and retain more students.

"Your Subcommittee has identified one of the greatest issues facing many college students and their families today, and, in turn, colleges and universities. The ramifications of ever-increasing costs for higher education are certainly far-reaching and multi-layered," said Kirby. "It is my hope that our recent experience with a successful tuition reduction plan at Westminster will serve this Subcommittee as a helpful case study of one possible path toward the types of solutions you are seeking."

"In the past decade, Westminster, like many private colleges, has struggled with the same issues on which your Subcommittee is now focused. If we could make our college more affordable, could we enroll more students and simultaneously provide more choices to these students who are seeking a post secondary education? We felt strongly that if we addressed and solved the affordability issue, we could accomplish these over-arching goals and likewise reap positive benefits for the College," said Kirby.

The Wisconsin Association of Independent Colleges and Universities (WAICU) had undertaken a similar effort to make institu-

tional, and even state-wide, improvements in cost-effectiveness to address head-on the cost increases facing their institutions. Dr. Rolf Wegenke, President of WAICU, described his experiences with the WAICU Collaboration Project, an effort by the WAICU member institutions in the state of Wisconsin to control costs while maintaining program quality.

"The WAICU Collaboration Project is a comprehensive initiative to perform all administrative support (back office) functions of Wisconsin's 20 private colleges and universities on a collaborative basis. The objectives are to save money, to improve the quality of services to students, faculty, and staff, and to serve as a national model for controlling college costs. This project moves beyond incrementalism. Never before in history have private colleges and universities considered as extensive a consolidation of functions short of an actual merger. It sends a message to the entire nation that something transformative has taken place," said Wegenke.

"If we price some of our best and brightest out of the game before the game even starts, there is no way that we as a nation, and as a people can remain competitive in the future. We live in the greatest nation on earth, we are afforded all of the freedom and opportunity that any person could want or desire, but to remain strong, we must continue to build upon our children," testified Scott Ross, executive director of the Florida Student Association.

"I believe that it is time that we—the federal government, states, institutions of higher education, the lending community, parents and students—all take our role in addressing this crisis seriously," said McKeon, concluding the hearing. "We know that there is a problem. Today, we begin to find solutions."

As discussed earlier, the report "The College Cost Crisis," released by McKeon and Boehner on September 4, 2003 continued to propel the national discussion on the problem of skyrocketing college costs. On September 23, 2003, the 21st Century Competitiveness Subcommittee held a hearing on the report.

Exploding college prices are not just the result of state budget cuts in higher education programs, and American colleges and universities can do more to control costs, witnesses told members of the Subcommittee at the September 23 hearing. The testimony echoed a major finding of "The College Cost Crisis" report: the conclusion that decades of steep tuition increases are pricing low and middle income students out of the college market.

"Universities need to be more conservative in how their money is spent," testified Jessica Hanson, a student at Florida State University, noting that many colleges have increased tuition dramatically even in times when the economy has been thriving.

"We must hold our university administrations accountable and ensure that they do not engage in wasteful spending; we must ensure that it is no longer an option to balance their budgets on the backs of students," Hanson told legislators. "As a student at Florida State University, I have received an outstanding education both inside and outside the classroom. I sit here today in front of this committee asking you to ensure that the future of our country, the students of tomorrow have the same opportunities."

McKeon urged fellow legislators to hear the concerns being expressed by students such as Hanson and vowed the panel would move forward in its effort to respond to the college cost crisis.

"The consumers of higher education—students and parents—are losing patience," McKeon said. "Parents are scared that they may not be able to send their children to college. Students dread the day when their student loans will come due."

McKeon read an excerpt from a letter sent by a South Carolina college student concerned about the fact that the university she attends appeared to be spending millions of dollars on construction projects and cosmetic improvements to campus, yet she was unable to get into the classes she needed in order to graduate.

"Attending a university is not about how nice the dining facilities are or having as many different chic eating places as possible; it is about learning and preparing for our careers," the student wrote.

"The concern about rising prices is a legitimate one for students and families, especially those from low income backgrounds," testified Jamie Merisotis, president of the Institute for Higher Education Policy, commenting on the Boehner-McKeon report. "I don't think it is sufficient to explain away these concerns as simple hand-wringing among consumers."

One contributing factor to the college cost crisis, Merisotis suggested, is simply that many institutions of higher learning have not implemented the kinds of financial planning measures commonly used in other sectors.

"While many institutions now conduct sophisticated enrollment projections to match overall plans for program development and improvement, few take the next step and link such planning to the likely financial conditions they will face," Merisotis noted in his prepared testimony. "It may make more sense for a school to develop different revenue scenarios first, and then match those with the different strategic goals for the institution."

"Few [institutions] develop academic plans with any serious consideration of the likely sources and amounts of revenue needed to support those plans," Merisotis stated.

Following the hearing, McKeon invited leaders from across the higher education spectrum to participate in a roundtable discussion on the college cost crisis. That roundtable, held on October 2, 2003, brought together representatives of both two- and four-year, public, private, and proprietary colleges and universities, as well as representatives of parents and students.

"I am grateful that my colleagues and friends from the higher education community were able to come together for this frank and constructive discussion about the college cost crisis. This forum allowed me to hear from many different perspectives on the cost issue and reinforced my belief that it is incumbent on all of us—the federal government, states, institutions of higher education, the lending community, parents and students—to take our roles in addressing this crisis seriously," said McKeon.

"I believe this is a great idea to have this discussion today," said Jim Boyle, president of College Parents of America. The cost of higher education is a major concern for parents, according to Boyle, who applauded McKeon for his interest in the topic.

"We very much agree with your assessment" that there is a crisis of college costs, stated Scott Sudduth with the University of California, discussing the findings of "The College Cost Crisis" report.

“Higher education has not done a very good job of explaining what it’s doing to control costs,” acknowledged Dr. William Kirwan, Chancellor of the University System of Maryland.

Everyone in the discussion concurred with that point, and there was widespread agreement that the consumers of higher education—parents and students—need access to more easily understandable information in order to make informed decisions in the college marketplace.

Reps. Johnny Isakson (R-GA) and Max Burns (R-GA), both members of the Education and the Workforce Committee, urged institutions to think outside of the box and questioned whether the time has come for higher education to adopt a new “business model” that reflects the changing needs of students in the 21st Century.

Institutions would do better to begin thinking more like businesses and less like government, noted Rep. John Carter (R-TX). Carter also questioned what seemed to be an endless pattern of cost increases leading to federal financial aid increases, and a feeling that however large the federal investment in higher education may be, it will never be enough for some.

The group overwhelmingly agreed that increasing transparency and making more information available to parents, students, and taxpayers would be an important first step in the right direction.

“Our industry did not respond well to recommendations five years ago” that would have increased transparency in college costs, said Sudduth. “An informed consumer is what we’re lacking here.”

The recommendation to increase sunshine and transparency in college costs—and throughout higher education—to better inform parents and students was a major component of a bill introduced in 2004 by McKeon and Boehner to reauthorize the Higher Education Act. That bill, the College Access and Opportunity Act (H.R. 4283), is discussed in greater detail in the Full Committee activities section of this report.

Expanding College Access for Low and Middle-Income Students

As the 21st Century Competitiveness Subcommittee continued its information-gathering efforts in preparation for the introduction of legislation to strengthen and renew the Higher Education Act, a major theme emerged: the need to expand college access for low and middle-income students. As Committee leaders had hoped from the outset, this principle was ultimately applied throughout the reauthorization process, from proposals to improve college access programs and support non-traditional and minority serving institutions, to plans that would address the college cost crisis and realign the multi-billion dollar federal investment to restore the focus on current and future students.

On July 15, 2003, the 21st Century Competitiveness Subcommittee heard testimony on how higher education programs can expand access to college for low-income or non-traditional students who often believe college is out of reach. The panel heard from witnesses on initiatives that can expand opportunities, reach out to students who may not otherwise have access to higher education, and encourage students with the premise that college is possible.

“When the Higher Education Act was authorized in 1965, Congress made a fundamental commitment to ensure that every stu-

dent who desired to pursue a higher education was afforded the opportunity,” said Subcommittee Chairman McKeon. “With the creation of the Pell Grant program, government-backed student loans, and access programs like TRIO, the Higher Education Act now authorizes multiple programs for low-income, first generation college students in order to provide them the necessary assistance to allow postsecondary education to be a realistic goal. Over the last three decades, our nation has made great strides to ensure that millions of eligible students can access a postsecondary education.”

An important component of expanding access is to embrace the role of alternatives to the traditional four-year institution, such as community colleges or proprietary schools, Committee members noted. These programs provide an important gateway into higher education for many students who would typically not enroll in a four-year institution.

In addition to exploring college access initiatives, the Subcommittee also looked into the federal student aid programs and how they could do a better job of expanding access to current and future low and middle-income students—those who were meant to be the number one priority of federal student aid programs when the Higher Education Act was originally written.

On July 22, 2003, the Subcommittee held a hearing to specifically examine the pros and cons of the consolidation loan program, which allows former college students to consolidate their federal student loans with a subsidy drawn from the limited pool of federal resources devoted to higher education.

“When the Higher Education Act was authorized in 1965, its intention was to expand access and provide opportunities to low-income students. Yet today, I believe some higher education programs have lost sight of that original mission—and the crisis of skyrocketing college costs makes it more important than ever to ensure that higher education programs are reaching their full potential to expand access to higher education in America,” said Rep. McKeon.

The consolidation loan program was implemented as part of the 1986 HEA reauthorization. The intent of the consolidation program was to provide an opportunity for borrowers with multiple loan holders and a high debt level to consolidate that debt with one holder and allow for a single monthly payment. However, Subcommittee members learned, with recent interest rate drops, the number and volume of consolidation loans has increased dramatically in the last few years, and as a result, an ever-increasing amount of the federal subsidy for higher education is directed toward college graduates who have already achieved their educational goals.

The reauthorization of the Higher Education Act provides Congress with an opportunity to thoroughly evaluate, and if necessary realign, the \$90 to \$100 billion annual federal investment in higher education to more directly meet its purpose of expanding access and opportunities for low-income students striving to achieve the dream of a college education, noted McKeon at the hearing.

During the autumn of 2003, the independent Government Accountability Office (GAO) issued a major report confirming many of the conclusions reached by legislators at the Subcommittee hearing earlier in the year. The report called on Congress to consider

changing the consolidation loan program from a fixed interest rate structure to a variable interest rate structure. Doing so would prevent the cost of the program from ballooning in upcoming years and becoming an even larger drain on the pool of federal higher education resources meant for incoming, low and middle-income students who had not yet received an education.

In May 2004, McKeon joined Boehner in introducing the College Access and Opportunity Act (H.R. 4283), a bill that proposed moving all future consolidation loans to the current variable interest rate that has resulted in the lowest interest rates for students in the history of the federal student loan programs. Moving to a variable interest rate on consolidation loans, as Boehner and McKeon proposed, would ensure all borrowers are treated fairly, and would prevent ballooning subsidy costs within the consolidation loan program from restricting efforts to expand access for current and future students.

While the student loan programs were an important focus of HEA reform efforts, they were not the only area in which Subcommittee members pursued significant changes. Rep. Tom Cole (R-OK) introduced legislation in September 2003 to expand access for students by breaking down barriers, eliminating outdated regulations, strengthening minority serving institutions, and simplifying federal student aid programs for needy students and families. That bill, the Expanding Opportunities in Higher Education Act (H.R. 3039) was later included as a part of H.R. 4283, the comprehensive HEA reauthorization bill.

Cole's H.R. 3039 called for several improvements to current law to not only assist students, but also encourage fair treatment of institutions and allow the institutions to better meet the changing needs of the students they serve. Following is a brief summary of some of the reforms included in Cole's Expanding Opportunities in Higher Education Act.

- Removing barriers and encouraging innovation: The Expanding Opportunities in Higher Education Act proposed removing outdated regulations arbitrarily applied to some institutions and not others, and eliminating barriers to innovative educational opportunities such as distance education. These reforms aimed to provide institutions of higher education with the freedom to provide better services and expand access for students.

- Meeting the needs of Minority Serving Institutions: Because Minority Serving Institutions, such as Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs), play such a vital role in opening the doors of higher education, the bill proposed additional flexibility and a reduction in unnecessary restrictions. The bill also proposed extending the allowable use of funds to further assist them in serving their students. The legislation called for several improvements for Minority Serving Institutions (MSIs), including allowing MSIs to use funds to develop or improve their facilities for Internet use or other distance learning capabilities.

- Supporting the programs that support students: For many low-income, non-traditional or first-generation college students, postsecondary education is a daunting prospect. Programs such as TRIO and GEAR UP, which provide support services and resources for these students and their families, make a real difference in making

the dream of college a reality. H.R. 3039 recognized the value of such programs, and called for increased flexibility and freedom to better serve the unique needs of students participating in these programs.

- Simplifying federal student aid to help students and families: The federal student aid system, which provides tens of billions of dollars in direct financial aid to students each year, is supposed to break down barriers for students; not create them. Yet the need analysis formula, the core of all federal student aid, is unnecessarily complex and cumbersome. For some families, simply applying for student aid presents a challenge. The Expanding Opportunities in Higher Education Act included a proposal offered earlier in 2003 by Reps. McKeon and Rahm Emanuel (D-IL) to commission a study to examine the federal financial aid formula and forms in order to simplify and streamline the programs to make the student aid system more friendly and responsive to student needs.

On September 11, 2003, witnesses before the Subcommittee explored how the Expanding Opportunities in Higher Education Act sought to strengthen higher education by removing outdated barriers and expanding opportunities for students.

A primary purpose of H.R. 3039, McKeon noted, was to ensure institutions seeking to serve students, and particularly needy or non-traditional students, would be treated fairly and equitably under the Higher Education Act. For that reason, the bill sought to remove arbitrary distinctions in current law that are applied to different types of institutions, and proposed more evenhanded treatment of all schools as they assist students in reaching their educational goals.

The bill also called for greater encouragement of innovation as a way to help students as they work toward postsecondary education, McKeon pointed out. In that spirit, the bill would have removed outdated restrictions on distance education, which prevent institutions from making the most of online learning opportunities. Particularly for the non-traditional student population, distance education offers students both flexibility and freedom, noted witnesses.

H.R. 3039 also placed a strong emphasis on assisting minority serving institutions, calling for the flexibility and freedom these institutions have requested to better serve their students, McKeon noted. The proposed reforms complemented the significant funding increases being provided to minority serving schools under President Bush, McKeon said.

Dr. Antonio Flores, president and CEO of the Hispanic Association of Colleges and Universities (HACU), expressed his organization's support for H.R. 3039.

"Chairman McKeon and distinguished members of this House Subcommittee, I applaud your commitment to the enhancement of HSIs and Hispanic higher education. Your championing of this national priority clearly demonstrates foresight and wisdom because the very future of our nation hangs in the balance," Flores declared in testimony submitted to the Subcommittee.

H.R. 3039, McKeon noted, included multiple reforms for minority serving institutions, with two particularly important provisions targeted toward Hispanic Serving Institutions. The bill proposed removing a two-year wait out period between grants, which would allow institutions to continue to receive federal grants without

interruption as they serve students. In addition, the bill sought to simplify an outdated eligibility requirement that has been difficult for HSIs to navigate as they seek to participate in HEA programs.

Helping Parents and Students Hold Colleges and Universities Accountable

American higher education suffers from a lack of accountability when it comes to providing students and parents with access to information, witnesses told the 21st Century Competitiveness Subcommittee on June 22, 2004. Witnesses praised provisions of the Republican college access bill, the College Access and Opportunity Act (H.R. 4283), that sought to increase sunshine and transparency in the accreditation process to empower students, parents, and taxpayers with more information about what they're getting in exchange for their multi-billion dollar annual investment in higher education.

"[T]he accreditation system serves as the central component in the federal government's effort to hold institutions accountable. It is widely credited as an invaluable tool for measuring institutional quality without undue federal control and federal pressure," said Subcommittee Chairman McKeon. "At the same time, we also have to recognize that the accreditation system is not perfect. While it may be a 'uniquely American institution,' it is also one that—all too often—perpetuates the status quo on campuses."

"Even with the additional requirement made in 1998 that accreditors begin to focus on student outcomes, the system and the institutions they accredit could be more effective when it comes to measuring academic quality," McKeon said, noting more than half of U.S. students do not graduate in four years. "Low graduation rates may be compounded by the fact that parents and students lack the necessary information to determine whether a particular college or university is a quality institution or appear to meet the needs of that particular student."

Witnesses examined the current accreditation system and described how a lack of transparency, coupled with a questionable track record of measuring quality and student outcomes, has resulted in a higher education system that is largely unaccountable to the public.

"In theory, the accreditors should be the guardians of academic quality. In reality, it has taken enormous external pressure, including explicit Congressional directives, to persuade accreditors to address more directly issues of educational quality and student learning," said Dr. Jerry Martin, chairman of the American Council of Trustees and Alumni.

Martin also discussed the need to provide consumers—students, parents, and taxpayers—access to more information about colleges and universities, and about the accreditation process itself. The College Access and Opportunity Act proposed opening up the accreditation process, and empowering consumers through the creation of a College Consumer Profile. The College Consumer Profile would provide consumers understandable, comparable, and easily accessible information about colleges and universities.

"I believe that the American higher education system is the best in the world. But, I believe that we can still improve," McKeon concluded. "As Congress continues the process of renewing and reau-

thorizing the Higher Education Act and builds on efforts to bridge the educational divide for America's low and middle-income students, it is important for us to continue this dialogue and continue our work on evaluating ways to improve the accreditation system and build on the academic excellence of students."

PROTECTING TAXPAYERS AGAINST DIPLOMA MILLS

Federal tax dollars may be vulnerable to abuse by higher education scams providing phony postsecondary degrees—known as diploma mills—despite safeguards that have been put into place, witnesses told the Subcommittee on 21st Century Competitiveness in a hearing held September 23, 2004. The hearing uncovered examples of federal agencies or grantees using taxpayer dollars to either purchase the bogus degrees, or employ high-level individuals who hold the worthless credentials.

"Diploma mills harm students, taxpayers, and both federal and state governments. They mislead consumers and employers and pose dangers to legitimate institutions of higher education," said Subcommittee Chairman Howard P. "Buck" McKeon (R-CA).

"Reliance on phony degrees is not a victimless crime," continued McKeon. "Take the disturbing story of an individual claiming to be a physician in North Carolina who treated an 8-year old girl for complications with diabetes. The girl's mother trusted the 'doctor' based on his MD degree, and took her daughter off of insulin, as instructed. Sadly, her daughter died. The physician? He earned his 'degrees' from bogus institutions; all of his diplomas came from diploma mills."

Retired FBI agent Allen Ezell testified on his involvement with Operation Diploma Scam (DIPSCAM), a series of investigations held from 1980–1991 to crack down on illegitimate higher education institutions selling phony degrees. In that time, Ezell and the taskforce executed 16 federal search warrants, obtained 19 federal grand jury indictments, and convicted 21 individuals. Agent Ezell purchased 10 Bachelor, 19 Masters, four Ph.D., and two M.D. degrees from these so-called diploma mills.

"Degree mills are well over a \$500 million dollar a year business," said Ezell. "Most probably, over one million Americans have purchased (and probably use) fictitious credentials."

The Government Accountability Office (GAO) conducted a number of investigations into diploma mills, specifically examining whether federal employees hold these faulty credentials, and whether they were paid for at government expense, according to GAO testimony offered at the hearing. GAO investigations into eight federal agencies and at least four reputed diploma mills resulted in significant findings of federal employees holding degrees from these institutions. Three of the supposed diploma mills reported 463 of their students were federal employees, and a total of \$169,470.74 in federal payments was found to have been made to two of these schools.

A Senate Governmental Affairs Committee investigation earlier in 2004 revealed federal Head Start grant funds intended for early childhood education programs had been used to purchase phony degrees from a diploma mill. It is not illegal at the present time for Head Start employees to use federal Head Start training funds to acquire a degree from a non-accredited school or diploma mill,

Committee members noted. As the Education and the Workforce Committee continues to oversee federal education programs, steps will be taken to protect taxpayers from diploma mills and the worthless credentials they provide, Committee members declared at the hearing.

QUESTIONING THE HIGH COST OF COLLEGE TEXTBOOKS

As members of the 21st Century Competitiveness Subcommittee fought to pass legislation in 2004 to help American students and families fight back against skyrocketing college costs, the increasing price of college textbooks drew scrutiny on Capitol Hill.

On July 20, 2004, the Subcommittee held a hearing on the topic of textbook costs. College students and families were invited to submit testimony for the record or provide input on how the price of textbooks impacts the cost of college. The hearing determined that the high price of textbooks is a significant contributor to escalating college costs for students. It also determined, however, that costs for students could be reduced through options such as online texts, textbook rental programs, or other methods of reducing the textbook cost burden.

In January of 2004, the California Student Public Interest Research Group or CALPIRG released the report, "RIPOFF 101—How the Current Practices of the Textbook Industry Drive Up the Cost of College Textbooks." The report presented an analysis of a survey of the most widely assigned textbooks in the fall of 2003 at ten public colleges and universities in California and Oregon, and found trends surrounding the high cost of college textbooks.

The CALPIRG report found textbooks are expensive and are getting more so each year; textbook publishers add "bells and whistles" that drive up the costs of textbooks; new editions are flooding the market (but contain minimal if any substantive changes); and online textbooks hold promise in reducing the costs of textbooks, according to Merriah Fairchild, author of the report.

The hearing also provided an opportunity for Subcommittee members to discuss potential solutions that could increase affordability for students. For example, the textbook services system at the University of Wisconsin-River Falls, which allows students to "check out" textbooks for the semester and functions similarly to a library, has proven popular among students as a means to reduce costs, testified Virgil Monroe, manager of the program.

"Students like the control a rental system gives them. They may buy the texts they think will be of value to them in the future, in later classes or in their professions, but they are not forced to buy texts that they may never use again. Our students also have a voice, through the Textbook Services Advisory Committee, the Student Senate and the Fees and Facilities Board, in reviewing Textbook Services policies and procedures and in setting the textbook rental fee each year," said Monroe.

Closing the hearing, Chairman Howard P. "Buck" McKeon (R-CA) said the Subcommittee would continue to focus on eliminating barriers to affordability for students, and would continue to examine the role textbook prices play in driving up overall college costs.

"As Congress continues the process of renewing and reauthorizing the Higher Education Act and builds on efforts to bridge the educational divide for America's low and middle-income students,

it is important that we continue our dialogue and continue to work toward issues that increase college affordability,” said McKeon.

STRENGTHENING TEACHER TRAINING & TEACHER COLLEGES

Teacher quality was an important focus for the 21st Century Competitiveness Subcommittee in the 108th Congress, both as a part of the Education and the Workforce Committee’s overall effort to support implementation of the No Child Left Behind Act, and as part of the Committee’s comprehensive effort to reauthorize the Higher Education Act.

The 21st Century Competitiveness Subcommittee hosted action on a number of fronts dealing with teacher quality during the 108th Congress. The panel conducted a major hearing to examine the quality of teacher training programs at America’s colleges and universities. The Subcommittee later approved legislation that sought to strengthen these programs through increased accountability. The Subcommittee also approved legislation to boost student loan relief for highly qualified teachers of key subjects who teach in high-poverty K–12 schools for at least five years.

On May 20, 2003, witnesses before the Subcommittee addressed what many see as a lack of accountability in teacher colleges and other teacher training programs. Legislators noted that the No Child Left Behind Act calls for a highly qualified teacher in every public school classroom by the 2005–2006 school year, making it more important than ever to ensure teacher colleges are producing highly skilled graduates. Every child deserves the chance to learn from a highly qualified teacher, Subcommittee Chairman Howard P. “Buck” McKeon (R–CA) said, and teacher training programs ought to be meeting the call of the No Child Left Behind Act and providing highly qualified teachers to the nation’s children.

“Teachers are the heart and soul of the classroom. We short-change the nation’s students and undermine their prospects for success if the teaching workforce is not highly qualified,” noted U.S. Secretary of Education Rod Paige in a statement commending Subcommittee Chairman McKeon for holding the May 20 hearing.

In June 2002, the Secretary of Education issued the first full annual report on teacher preparation as required under Title II of the Higher Education Act (HEA). The report was a major topic of discussion at the May 20 hearing. The report—Meeting the Highly Qualified Teachers Challenge: The Secretary’s Annual Report on Teacher Quality—concluded that the teacher preparation system in the United States has serious limitations. Not only does acceptable achievement on certification assessments differ markedly among the states, the Secretary’s report found, but most states, in setting the minimum score considered to be a passing score, set those scores well below national averages. The data collected for this report suggest schools of education and formal teacher training programs are failing to produce the types of highly qualified teachers the No Child Left Behind Act demands, Committee members noted.

Kati Haycock, director of the Education Trust, testified at the May 20 hearing. She described what she called “core problems” in Title II of the HEA that could lead to a lack of quality and accountability in teacher training programs.

“Because of the ways in which the current Title II accountability provisions were crafted, too many institutions that prepare teach-

ers have been able to avoid real accountability and, even within institutions where there is new-found accountability, those who do the academic side of teacher preparation are off the hook,” said Haycock. “And woefully inadequate data systems interfere with both reporting and action on these issues, and hamper the efforts of those who insist that teacher quality should be judged not on proxy measures of their qualifications but on what matters most: their ability to grow student knowledge and skills.”

To address the need for greater accountability and quality in the teacher training programs of the Higher Education Act, Rep. Phil Gingery (R-GA) introduced the Ready to Teach Act (H.R. 2211). Rep. Joe Wilson (R-SC) introduced a complementary bill—the Teacher Recruitment and Retention Act (H.R. 438)—to help states and schools recruit highly qualified teachers. Taken together, supporters noted, the proposed reforms would help ensure every public classroom is taught by a highly qualified teacher, as called for in the No Child Left Behind Act.

On June 4, 2003, the 21st Century Competitiveness Subcommittee approved H.R. 2211 and H.R. 438 by voice vote, with bipartisan support. As mentioned earlier in this report, both bills were later approved by the House.

As approved by the Subcommittee, H.R. 2211 called for aligning teacher training programs under Title II of the HEA with the high standards for accountability and results called for in the No Child Left Behind Act. Supporters argued the reforms included in the legislation would make several improvements to ensure that teacher training programs are providing prospective teachers with the skills they need to be highly qualified and ready to teach when they enter the classroom. H.R. 2211 included measures that aimed to improve the quality of teacher training programs and strengthen accountability procedures to ensure that program effectiveness could accurately be measured. The legislation placed a strong focus on the effectiveness of teacher preparation, and a renewed emphasis on the skills needed to meet the “highly qualified” standard found in No Child Left Behind: the use of advanced technology in the classroom, rigorous academic content knowledge, scientifically based research, and challenging state student academic standards. In addition, under the proposal systems would be developed to measure the effectiveness of programs, including a true measure of teacher effectiveness—the academic achievement of students.

H.R. 2211 also called for teacher recruitment grants, funds that would be used to recruit individuals, and specifically minorities, into the teaching profession. Teacher recruitment grants would help bring high quality individuals into teacher training programs, and ultimately place more highly qualified teachers into classrooms. In addition, under the proposal a priority would be given to grant applicants that would emphasize measures to recruit minorities into the teaching profession, providing a teaching workforce that is both highly qualified and diverse.

An amendment offered by Rep. Max Burns (R-GA), Rep. Major Owens (D-NY), and Rep. Ruben Hinojosa (D-TX), was adopted during Subcommittee action on the H.R. 2211. The amendment called for the creation of Centers of Excellence, programs that would establish high quality teacher training programs in minority serving institutions.

As approved by the Subcommittee, H.R. 438 proposed increasing student loan forgiveness from \$5,000 to \$17,500 for teachers in high-need schools teaching the high-demand subject areas of math, science, and special education. Rural and urban schools in particular are facing significant teacher shortages in these areas, supporters noted. The loan forgiveness proposal was included in President Bush's FY 2004 and FY 2005 budget requests.

Supporters noted that the loan forgiveness proposal in H.R. 438, which received widespread support from educators, would provide a strong financial incentive for teachers to choose to teach in high-need schools. By dramatically expanding loan forgiveness for such teachers, Congress would give high-need schools a new and powerful tool to recruit and retain highly qualified teachers for their students.

As mentioned in the Full Committee activities section of this report, a similar loan forgiveness proposal was signed into law by President Bush on October 30, 2004. The new law, passed by Congress as the Taxpayer-Teacher Protection Act (H.R. 5186), shuts down excess subsidies paid to some loan providers in the federal student loan program, and uses the savings to expand loan forgiveness for teachers.

STRENGTHENING AMERICA'S JOB TRAINING PROGRAMS

Early in the 108th Congress, members of the 21st Century Competitiveness Subcommittee began efforts to strengthen America's job training programs through reauthorization of the Workforce Investment Act (WIA).

There was wide agreement among Subcommittee members that the WIA law had dramatically improved the nation's formerly fragmented workforce development programs since its adoption in 1998. The law established an innovative one-stop delivery system in which job-seekers can find labor market information, job counseling, and job training to help them get back on their feet.

Renewing and strengthening the WIA system was identified by Education and the Workforce Committee Chairman John Boehner (R-OH), Subcommittee Chairman Howard P. "Buck" McKeon (R-CA), and other Committee leaders as a major priority for the Education and the Workforce Committee in the 108th Congress. While the 1998 reforms have helped to provide workers with the resources and tools necessary to rejoin the workforce or retrain for better jobs, they argued, areas of inefficiency and duplication remain.

The Subcommittee conducted several hearings that confirmed this premise. Through the hearing process, the panel determined that (1) the WIA system is sometimes hampered by duplicative and redundant bureaucracy that prevents it from being as effective as it could be for workers and their families; (2) duplication of services under the current WIA system reduces the amount of money that could be used to efficiently provide employment and training services to individuals seeking jobs; and (3) overlap in training programs under the current WIA law has contributed to the growth of a confusing patchwork at the state and local level.

On March 11, 2003, the Subcommittee heard testimony from stakeholders in the nation's workforce development and rehabilitation systems on methods to strengthen and improve current pro-

grams to improve results for both job seekers and employers. Witnesses testified about potential solutions to make the WIA system more efficient, accountable, and responsive to job seekers, workers, employers, and their communities.

Assistant U.S. Secretary of Labor Emily DeRocco testified at the March 11 hearing about the potential benefits of streamlining programs and funding to better serve populations benefiting from workforce development and rehabilitation programs.

"Currently the WIA Adult, WIA Dislocated Worker and Wagner-Peyser funding streams finance similar services targeted to similar populations," said DeRocco. "Combining these three funding streams into a single formula grant would result in streamlined program administration at the state and local level and the reduction of current duplication and inefficiency."

Thomas White, President and CEO of the Durham, North Carolina Chamber of Commerce, testified at the March 11 hearing regarding the critical role workforce development plays in economic growth.

"Our communities, our states, and our nation are far more competitive and productive when we design and operate a workforce system that includes business and government as full-fledged partners," White told Subcommittee members.

"We stand a far better chance of achieving success, as measured by tax base expansion, capital investment, job creation and poverty reduction," White added, "when our nation's workforce system is fully integrated with our economic development system so that all our citizens can take advantage of and reap the benefit from the economic opportunities created by new and expanding industry."

On March 13, 2003, Chairman Boehner and Chairman McKeon introduced the Workforce Reinvestment and Adult Education Act (H.R. 1261) as the main vehicle for the Committee's effort to reauthorize and strengthen the WIA system. The proposed bill sought to improve results for Americans striving to get back to work by streamlining unnecessary bureaucracy, increasing effective cooperation among workforce development partners, and placing an increased emphasis on basic skills in adult education programs.

Specific highlights of the proposed bill included:

- Eliminating duplication and waste. The bill called for creating a consolidated funding stream to streamline program administration and create more program efficiency at the state and local level. Funds would be targeted for those most in need of critical reemployment services. Priority would be given to unemployed and low-income individuals in the adult grant program.

- Allowing faith-based groups to help train and re-train workers. The bill called for allowing faith-based organizations to participate in the nation's job-training system. Supporters disagreed with those who believe faith-based groups should be forced to abandon their religious identities as a condition of participating in the WIA system. Such groups, supporters said, should be allowed to take religion into account when hiring staff. They noted that the Civil Rights Act of 1964 gives faith-based groups the right to hire workers on a religious basis, and that President Bill Clinton himself had signed a number of major laws upholding this right.

- Strengthening employment services to help job seekers get back to work. Employment services would have continued to be

provided as core services in the One Stop Career Centers under H.R. 1261. To be clear that such services would continue, the bill called for incorporating current employment service functions into the description of core services. For example, one-stop centers would be required to provide labor exchange services, including job search and placement assistance, as well as appropriate recruitment services for employers.

- Ensuring the one-stop delivery system is demand-driven. The bill required state and local workforce investment boards to ensure that the system is dynamic and reflective of the workforce needs in the local area, and increases connections to economic development. H.R. 1261 also called for allowing training for incumbent workers so employers may upgrade the skills of current workers. It encouraged the highest caliber training providers, including community colleges, to offer training through the one-stop WIA system.

- Removing barriers to job training. H.R. 1261 proposed eliminating arbitrary provisions of current law that prevent someone from accessing training immediately if appropriate to meet his or her employment goals. State and local areas would be given the flexibility to tailor services to meet individuals' needs.

- Strengthening partnerships between businesses and job training service providers. In his FY 2005 budget request, President Bush proposed a \$250 million initiative to strengthen the role of community colleges and other institutions that provide job training services to Americans striving to get back to work.

Led by McKeon and other Subcommittee members, the House approved the Workforce Reinvestment and Adult Education Act on May 8, 2003. The Senate approved a different WIA reauthorization bill in 2004. On June 3, 2004, the House appointed conferees in an effort to begin negotiations between the House and Senate on a final WIA reauthorization bill. Senate minority leaders, however, opposed allowing such a conference to take place, claiming they wanted assurances Democrats would be "treated fairly" in such a process.

On July 14, 2004, Boehner and McKeon sent a letter to Senate Minority Leader Tom Daschle (D-SD) urging him to allow the Senate to appoint conferees and move forward with House-Senate negotiations on the job training bills. Daschle did not respond to the letter.

On September 22, 2004, Sen. Mike Enzi (R-Y) moved to appoint Senate conferees on the WIA reauthorization, but the motion was blocked by Senate Minority Whip Harry Reid (D-NV). The maneuver effectively killed hopes for reauthorization of the WIA job training programs in the 108th Congress.

In December 2004, Chairman Boehner indicated efforts to reauthorize the Workforce Investment Act would again be a priority for the Committee in the 109th Congress.

PROVIDING PERSONAL REEMPLOYMENT ACCOUNTS TO JOB SEEKERS

As a complement to its two-year effort to reauthorize job training programs, the 21st Century Competitiveness Subcommittee also devoted considerable energy during the 108th Congress to the creation of innovative Personal Reemployment Accounts (PRAs) for unemployed workers seeking good new jobs. President Bush proposed the accounts during his first term as a means of helping

Americans return to work during the economic recovery. On January 29, 2003, Subcommittee member Jon Porter (R-NV) introduced legislation to establish the reemployment accounts proposed by President Bush.

The Porter bill, H.R. 444, proposed the creation of \$3,000 personal reemployment accounts to help Americans struggling to return to work. With the funds from these accounts, unemployed workers would be able to purchase a variety of employment-related services, such as job training, child care, transportation, career counseling, housing assistance, and case management, to help them find a new job and reenter the workforce. PRAs would allow participating One Stop Career Centers to offer another important benefit to the unemployed, in addition to the array of job training and employment-related services these centers already provide. A key component of the Porter plan would allow workers who become reemployed within 13 weeks to keep the balance of the account as a cash reemployment bonus.

In a February 12, 2003 hearing before the Education and the Workforce Committee, U.S. Secretary of Labor Elaine Chao urged Congress to move quickly to create the PRA accounts.

"The anticipated economic benefits of the personal reemployment accounts are numerous," Chao testified. "These accounts represent a new and innovative approach to helping unemployed workers make a quick return to work and provide businesses with the skilled workforce that they need. They will empower individuals by giving them more flexibility, personal choice and control over their job search and career."

"If we maintain the status quo, we guarantee that the economic opportunities in the workplace of far too many people will be severely limited," said Porter. "This legislation will help accelerate the reemployment of many of the citizens of Nevada and ultimately will help the nation's unemployed make a quick return to work."

At a February 19, 2003 field hearing in Las Vegas, Nevada, Subcommittee members heard from state leaders in Nevada about the practical benefits of personal reemployment accounts. Representatives from Nevada's Department of Employment, Training, and Rehabilitation, and the Southern Nevada Workforce Investment Board briefed the Subcommittee on Nevada's current employment situation and what PRAs would mean to Nevada's unemployed.

PRAs would "connect more of the unemployed to the Nevada JobConnect system and the resources it provides," said Myla Florence, director of the Nevada Department of Employment, Training, and Rehabilitation.

"The kinds of needs people have to become reemployed are child care, issues, transportation issues, and training needs. Unemployment just covers the food, clothing, and shelter," said Debi Lindemenn, an employment specialist supervisor at the Nevada Department of Employment, Training, and Rehabilitation.

Additional costs for child care and transportation often must come from personal savings or other sources, Lindemenn noted. Subcommittee leaders pointed out that H.R. 444 addressed this issue by allowing recipients to use the personal accounts for costs such as child care, transportation, housing assistance, and other expenses to help in finding a new job.

“This hearing was a great opportunity to hear what’s happening on the ground level in the state of Nevada, to receive input from local officials, and learn how the [Porter proposal] can help the unemployed here in the state,” said Subcommittee Chairman Howard P. “Buck” McKeon (R–CA).

The Full Committee approved the Porter legislation on March 5, 2003.

Early in 2004, President Bush included a PRA pilot project in his FY 2005 budget, and Rep. Porter subsequently introduced another version of his legislation—the Worker Reemployment Accounts Act—that was similar to the pilot project proposed by President Bush. The new version of the bill sought to permit demonstration and pilot project funding under the Workforce Investment Act (WIA) to be used by states and local workforce investment boards to offer PRAs to unemployed individuals. The House passed this version of the Porter bill on June 3, 2004.

In the fall of 2004, the U.S. Department of Labor began using its administrative authority for a pilot project—similar to the Porter proposal—to test the effectiveness of PRAs in seven states. The states chosen were Florida, Idaho, Minnesota, Mississippi, Montana, Texas and West Virginia.

In the 109th Congress, the Education and the Workforce Committee is expected to build on the progress made in 2004 by working with President Bush and state officials to expand the number of workers eligible to take advantage of Personal Reemployment Accounts.

BUILDING ON THE SUCCESSES OF THE 1996 WELFARE REFORM LAW

One of the most successful social policies ever enacted, the 1996 welfare reforms have transformed the lives of millions of families and helped them achieve self-sufficiency.

The 21st Century Competitiveness Subcommittee began the 108th Congress with a renewed effort to reauthorize and strengthen the 1996 reforms, as called for by President Bush. A similar effort was made throughout the 107th Congress, but was left uncompleted due largely to a lack of bipartisan support. On February 13, 2003, the House passed the Personal Responsibility, Work, and Family Promotion Act (H.R. 4) to build upon the 1996 reforms. The measure, co-authored by members of the Education and the Workforce Committee and based on President Bush’s reform blueprint, sought to strengthen work requirements under the Temporary Assistance for Needy Families (TANF) block grant program to help move more welfare recipients into productive jobs.

The measure was substantively the same as H.R. 4737, which the House had passed in 2002 during attempts by the 107th Congress to extend the 1996 reforms. The measure passed by the House on February 13 also incorporated provisions of H.R. 4092, the Working Toward Independence Act, which the Education and the Workforce Committee approved in the 107th Congress. A summary of the measure passed by the House in 2003 is included below:

TANF Block Grant and Work Requirements

H.R. 4 called for incorporating the central feature of President George W. Bush’s welfare reform proposal: strengthening work re-

quirements. While the 1996 reforms reduced welfare caseloads, a majority of TANF recipients are still not working for their benefits, supporters of H.R. 4 noted. According to the U.S. Department of Health and Human Services' Fourth Annual Report to Congress (May 2002), approximately 60 percent of TANF adult recipients are not participating in work activities as defined by federal law, which includes work and various other job training and education activities.

Among the details of H.R. 4:

- **Achieving Independence Through Work.** H.R. 4 sought to require recipients to be engaged in work activities for 40 hours a week. (Current law requires single and two-parent families to be engaged in work-related activities for 30 and 35 hours a week, respectively.) The bill proposed requiring 24 hours of the 40-hour requirement to be spent in actual work, including unsubsidized employment, subsidized private or public sector employment, on-the-job training, supervised work experience, or community service. The remaining 16 hours would be defined by states, and could include education and training. H.R. 4 called for giving states the option of allowing low-income parents to spend part of the remaining 16 hours in organized activities with their children aimed at improving child well-being, such as boys-and-girls clubs, Scouting, and education programs. Welfare recipients could attend school full-time for four months of a two-year period if the education was tied to employment.

"Moving folks into employment is not the only goal of [the federal welfare program], as important as that is. In the end, it's about whether the kids are better off," Wade F. Horn, President Bush's assistant secretary for children and families at the Department of Health and Human Services, explained to the *Los Angeles Times* (Peterson, "Welfare Plan Would Count Family Time, March 28, 2002).

Additionally, H.R. 4 called for allowing three months within any 24 consecutive months in full-time substance abuse treatment, rehabilitative services, work-related education or training, and job search to count toward the work requirement. This provision sought to give recipients and states additional flexibility to meet the bill's work requirements.

- **Putting More Americans on the Path to Self-Sufficiency.** H.R. 4 would have created a policy of universal engagement so that all families receiving welfare benefits must be in work or other activities leading to self-sufficiency. Each family receiving welfare benefits would have a self-sufficiency plan, and each family's participation in activities would be monitored. The measure also called for increasing the percentage of welfare families in each state that must be engaged in work-related activities—currently 50 percent—to 70 percent by 2008.

- **Rewarding States for Helping People Remain Self-Sufficient.** The measure called for maintaining an updated caseload reduction credit to reward states that help individuals find employment or avoid enrolling in cash assistance.

- **Protecting Families with Small Children.** The proposed bill would have given states flexibility in determining sanctioning policies for families that don't meet work requirements, although recipients must engage in work activities at least once during a two-

month consecutive period to remain eligible for TANF assistance, unless good cause is shown. However, the bill would have required states to continue assistance for single parents who have a child under age six and can't obtain child care. In addition, states could have chosen to exclude from the participation rate calculation families with children less than one year old.

- **Enhancing State Flexibility.** Under the proposed measure, states' work participation rates would have been based on the total number of countable hours worked per month, rather than the number of families meeting the participation standard. Therefore, 160 hours of work per month would have counted as one family fulfilling the full 40-hour work requirement. States could have received pro-rata credit toward the work requirement for families that meet at least the 24-hour actual work activity requirement.

- **State and Local Waivers.** In order to empower states to develop innovative solutions to help welfare recipients achieve independence, the measure called for offering broadened waiver authority for states and localities to coordinate certain welfare and workforce development programs. This new flexibility would have helped states create broad, comprehensive assistance programs for needy families—as long as they achieve the purpose of the underlying program and continue to target those in need. The proposed bill would have prohibited civil rights, labor, and environmental requirements from being waived.

- **State Plan Requirements.** H.R. 4 called for requiring states to develop plans on how they will increase work and reduce dependence, including specific performance objectives. States would have had the flexibility to determine the methods they use to measure their progress.

- **Employment Achievement Bonus.** The proposed measure would have created a \$100 million annual bonus to reward employment, which would have been developed in consultation with states. Each state would have had annual numerical targets under the plan and would have competed against its performance from the previous year. All states would have been eligible for a bonus if their performance met established targets.

Improving Child Care for Families

In addition to strengthening the work requirements in current law, H.R. 4 also called for reauthorizing the Child Care and Development Block Grant (CCDBG). Subcommittee members emphasized during the 108th Congress that access to appropriate child care is essential to helping welfare families move from welfare to work. The CCDBG, they noted, also plays a key role in early childhood education, which President Bush has called upon Congress to improve.

H.R. 4 proposed maintaining historic funding for the CCDBG and improving the program by giving states maximum flexibility to develop child care programs and policies that best meet the needs of children and parents.

Among the specific details of H.R. 4 as it related to child care and development:

- **Increasing Funding Levels.** The proposed measure sought to reauthorize the Child Care and Development Block Grant (CCDBG) through 2008. It sought to authorize an additional \$2 bil-

lion to support working families by providing child care assistance to low-income parents trying to achieve or maintain independence from public assistance.

- **Giving States Maximum Flexibility.** The bill called for giving states maximum flexibility to develop child care programs and policies that best meet the needs of children and parents. It sought to encourage states to create partnerships with public and private entities to increase the supply and quality of child care services, and to coordinate child care services under the bill with other child care and early childhood education programs—including Head Start, Early Reading First, Even Start, and state-sponsored pre-kindergarten programs.

- **Improving Child Care Quality.** Consistent with President Bush’s early childhood education initiative released last year, Good Start, Grow Smart, the bill called for encouraging states to address the cognitive needs of young children so that they are developmentally prepared to enter school. It also would have encouraged states to utilize resources in their state to collect and disseminate information to parents, consumers, and child care providers. Moreover, the proposed bill would have emphasized the importance of quality child care and education by requesting states to address the quality of care available to children and parents.

H.R. 4 called for requiring states to devote at least six percent of funds from the CCDBG to improve child care quality, and establish permissible uses for those funds. It also would have requested that states work to meet the needs of parents eligible for assistance who have children with special needs, work non-traditional hours, or require infant and toddler care.

- **Promoting Parental Choice.** The measure would have promoted parental choice to empower eligible parents to make their own decisions on the child care that best suits their family’s needs.

Renewal of the successful 1996 welfare reforms is expected to again be a top priority for members of the 21st Century Subcommittee when the 109th Congress convenes in January 2005.

IMPROVING ACCESS TO ASSISTIVE TECHNOLOGY FOR INDIVIDUALS WITH DISABILITIES

Members of the 21st Century Competitiveness Subcommittee led the way during the 108th Congress for successful reauthorization of the Assistive Technology Act, the federal law that helps states provide access to technology such as wheelchairs and hearing, reading, or other communication devices to individuals with disabilities.

On May 12, 2004, the Subcommittee approved legislation introduced by Subcommittee Chairman Howard P. “Buck” McKeon (R-CA) to reauthorize the programs and expand support for individuals.

“Millions of Americans with disabilities count on assistive technology devices to enhance their quality of life and overcome their daily challenges,” said McKeon after passage of the legislation. “I am very pleased that my colleagues and I were able to work together in a bipartisan manner to pass the Improving Access to Assistive Technology for Individuals with Disabilities Act, and helped knock out a significant barrier for our nation’s hardworking people with disabilities.”

The assistive technology state grant program was first enacted in 1988 as a 10-year program to provide states funds to establish an infrastructure for increasing access to, and distribution of, assistive technology devices.

The McKeon legislation preserves these state grants but refocuses their purpose to reflect the top priority of helping individuals. By directing states to spend the majority of their federal assistive technology grants on activities that directly benefit individuals with disabilities, the legislation—signed into law by President Bush on October 25, 2004—will help guarantee individuals greater access to assistive technology. The new law encourages states to invest in programs that have been shown to be most effective in providing assistive technology to individuals with disabilities.

HEARINGS ON SAFETY IN AMERICA'S CLASSROOMS

On May 24, 2004, the 21st Century Competitiveness Subcommittee conducted a field hearing in Las Vegas, Nevada, at the request of Rep. Jon Porter (R-NV) to study the provisions of H.R. 2649, the Schools Safely Acquiring Faculty Excellence Act of 2003, legislation designed to keep children safe in America's classrooms. Witnesses testified on the need for teacher background checks at the national, state, and local levels; and encouraged greater information sharing between states.

Dr. George Ann Rice, Associate Superintendent of the Clark County Schools' Human Resources Division, testified on the unique challenges facing the Clark County School District (CCSD) in Las Vegas, Nevada. The school district encompasses more than 300 schools, serving nearly 270,000 students. To maintain pace with the district's growth, the school district must hire between 1,500 and 2,000 new teachers a year. Clark County recruited prospective teachers from 39 states to meet its needs for the 2003–2004 school year. To ensure student safety, the school district has implemented rigorous procedures for background checks, Rice told members of Congress.

Additional witnesses included Ms. Carol Lark, Principal of the C.P. Squires Elementary in North Las Vegas, Nevada; and Mrs. D.J. Stutz, President of the Nevada State Parent Teacher Association (PTA) and a member of the Board of the National PTA.

On September 28, 2004, members of the Subcommittee on 21st Century Competitiveness gathered in Washington, D.C., to hear testimony on the importance of school employee background checks in ensuring student safety in the nation's schools. Witnesses, including a representative from the nation's sixth largest school district, outlined current practices in place for background checks at the national, state and local levels, and encouraged more information sharing between states. The hearing was chaired by Rep. Howard P. "Buck" McKeon (R-CA), chairman of the Subcommittee.

During the hearing, Rep. Porter discussed his legislation, the Schools Safely Acquiring Faculty Excellence Act, which called for steps to encourage states to share criminal information about potential school employees through the National Crime Prevention and Privacy Compact.

Donna Uzzell, chairman of the National Crime Prevention and Privacy Compact Council (Compact) and director of the Florida Department of Law Enforcement's Criminal Justice Information Serv-

ices, offered a description of the Compact and provided information on Florida's innovative screening processes.

The Federal Bureau of Investigations (FBI) has been the "central point of information about criminal offenders in the United States" for more than 80 years. The FBI acts as a central index for all 50 states, U.S. territories and federal agencies that hold criminal records on offenders. The Compact was established in 1998 to allow states "the means to release their records provided the check is fingerprinted based and authorized by state or federal laws" for non-criminal justice purposes according to Ms. Uzzell. At the time of the hearing, 21 states were participating in the Compact.

The Compact "eliminates redundant handling of records, reduces opportunities for error, and provides for the most complete records to be supplied," said Uzzell. She also expounded her remarks to cover specific steps taken in Florida to ensure complete school employee background checks.

Additional witnesses at the hearing included Ms. Barbara Belak, assistant to the Associate Superintendent of Human Resources for the Clark County School District in Las Vegas, Nevada; and Dr. William Dean, superintendent of the Frederick County Public Schools in Winchester, Virginia.

In addition to these two hearings, the Subcommittee on 21st Century Competitiveness held a field hearing in Phoenix, Arizona, to study the impact of highly qualified teachers on student academic achievement. A more detailed description of the Phoenix field hearing is included in the section of this report outlining the activities of the Full Committee under "Supporting Implementation of the No Child Left Behind Act of 2001 (NCLB)."

II. HEARINGS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

March 4, 2003—Hearing on "Improving Adult Education for the 21st Century" (108-4)

March 11, 2003—Hearing on "Workforce Investment and Rehabilitation Acts: Improving Services and Empowering Individuals" (108-6)

May 20, 2003—Hearing on "America's Teacher Colleges: Are They Making the Grade?" (108-16)

July 10, 2003—Hearing on "Affordability in Higher Education: We know there's a problem; What's the solution?" (108-24)

July 15, 2003—Hearing on "Expanding Access to College in America: How the Higher Education Act Can Put College Within Reach" (108-25)

July 22, 2003—Hearing on "Consolidation Loans: What's Best for Past Borrowers, Future Students, & U.S. Taxpayers?" (108-28)

September 11, 2003—Hearing on "H.R. 3039, the Expanding Opportunities in Higher Education Act of 2003" (108-31)

September 23, 2003—Hearing on "The College Cost Crisis Report: Are Institutions Accountable Enough to Students and Parents?" (108-33)

108th Congress, Second Session

May 24, 2004—Field hearing on “H.R. 2649, the Schools Safely Acquiring Faculty Excellence Act of 2003” in Las Vegas, Nevada (108–60)

May 27, 2004—Field hearing on “Highly Qualified Teachers and Raising Student Achievement” in Phoenix, Arizona (108–61)

June 22, 2004—Hearing on “H.R. 4283, the College Access & Opportunity Act: Does Accreditation Provide Students and Parents Accountability and Quality?” (108–64)

July 20, 2004—Hearing on “Are College Textbooks Priced Fairly?” (108–70)

September 23, 2004—Hearing on “Are Current Safeguards Protecting Taxpayers Against Diploma Mills?” (108–72)

September 28, 2004—Hearing on “H.R. 2649, Schools Safely Acquiring Faculty Excellence Act” (108–73)

III. MARKUPS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

February 26, 2003—H.R. 444, Back to Work Incentive Act of 2003 was ordered favorably reported, as amended, to the Full Committee by a vote of 15–12.

March 20, 2003—H.R. 1261, Workforce Reinvestment and Adult Education Act of 2003 was ordered favorably reported, as amended, to the Full Committee by a vote of 15–12.

June 4, 2003—H.R. 438, Teacher Recruitment and Retention Act of 2003 was ordered favorably reported, as amended, to the Full Committee by voice vote. H.R. 2211, Ready to Teach Act of 2003 was ordered favorably reported, as amended, to the Full Committee by voice vote.

108th Congress, Second Session

May 13, 2004—H.R. 4278, Improving Access to Assistive Technology for People with Disabilities Act of 2004 was ordered favorably reported, as amended, to the Full Committee by voice vote.

IV. SUBCOMMITTEE STATISTICS

Total Number of Bills and Resolution Referred to Subcommittee	193
Total Number of Hearings	14
Field	2
Jointly with Other Committees	0
Total Number of Subcommittee Markup Sessions	4
Total Number of Bills Reported From Subcommittee	5

SUBCOMMITTEE ON EDUCATION REFORM

I. SUMMARY OF ACTIVITIES

In the 108th Congress, the Subcommittee on Education Reform achieved numerous legislative victories, including enactment of legislation to strengthen special education, and improve child nutrition and school lunch programs to help parents combat childhood obesity. The Subcommittee also held hearings and approved legislation to strengthen early childhood education, help states and local communities improve vocational and technical education, support

implementation of the No Child Left Behind Act, and enhance financial literacy among youth.

The Education Reform Subcommittee, chaired in the 108th Congress by Rep. Mike Castle (R-DE), has jurisdiction broadly over education programs from preschool to the high school level, including the No Child Left Behind Act, special education, preschool programs including the Head Start Act, school lunch and child nutrition programs, vocational and technical education, and anti-poverty programs. Education reform was a focal point for congressional Republicans in the 108th Congress, with numerous bills moving from the Education Reform Subcommittee through the House and to President Bush for his signature.

One of the first legislative priorities of the 108th Congress was enactment of bipartisan legislation to strengthen and renew special education under the Individuals with Disabilities Education Act (IDEA). Reauthorization of the IDEA was a goal originally set for 2002, with a strong foundation for special education reform having been established in the 107th Congress. Subcommittee Chairman Castle worked closely with Education and the Workforce Committee Chairman John Boehner (R-OH) in 2003 to introduce and steer through the House legislation to improve educational results for students with disabilities. That bill was signed into law by President Bush on December 3, 2004, representing a major bipartisan legislative achievement at the close of the 108th Congress.

The Education Reform Subcommittee also worked in the 108th Congress to improve federal school lunch and child nutrition programs. Led by Subcommittee Chairman Castle, the House in 2004 approved legislation to strengthen the integrity of the federal child nutrition programs to ensure they are serving children and families in need. The bill also included important steps to help parents and local communities address the child obesity epidemic, a pressing health problem for America's youth. The bipartisan legislation includes the creation of local wellness policies, so that local communities can make decisions on how best to improve the nutrition and wellness of their children.

The Child Nutrition and WIC Reauthorization Act (H.R. 3873) was widely praised by school groups and nutrition and hunger advocates, and received broad bipartisan support in both the House and the Senate. In an interview with *Education Daily*, Barry Sackin with the American School Food Service Association (ASFSA) said, "This is the most far-reaching child nutrition bill in a generation." The bill was signed into law by President Bush on June 30, 2004.

Following are more comprehensive details of the activities of the Subcommittee on Education Reform in the 108th Congress (January 2003–December 2004).

IMPROVING ACADEMIC RESULTS FOR STUDENTS WITH DISABILITIES

Reauthorization of the Individuals with Disabilities Education Act (IDEA) was a top priority for Republicans in the 108th Congress. After holding a series of hearings and launching an innovative web-based outreach initiative in the 107th Congress, Education Reform Subcommittee Chairman Mike Castle (R-DE) led efforts to strengthen and renew special education with the first major education reform bill in 2003.

Kicking off the reauthorization process with a hearing on March 13, 2003, Castle invited witnesses to testify on how academic results for children with disabilities could be improved under the IDEA.

"This landmark legislation has played a vital role in ensuring that children with special needs receive the high-quality education they deserve," said Castle at the hearing. "Although IDEA has had many success stories, there is still room for improvement in serving children with disabilities. Children with disabilities are still among those at greatest risk of being left behind."

"Now more than ever, we must see that children with disabilities are given access to an education that maximizes their unique abilities and provides them with the tools for later success," continued Castle. "We must be vigilant in our efforts toward improving their quality of education by focusing on better education results, reducing the paperwork burden for special education teachers, and addressing the problem of over-identification of minority students as disabled."

The No Child Left Behind Act, the education reform law signed by President Bush in January 2002, injected accountability into education and paved the way for the reauthorization of the IDEA by ensuring that all children, including those with disabilities, are provided with a high-quality education, noted Dianne Talarico, superintendent of the Canton City (OH) School District.

"I believe the success of the No Child Left Behind Act and the reauthorization of IDEA are intricately woven together," testified Talarico. "The reauthorization of IDEA offers a tremendous opportunity to further flesh out these high expectations for students with disabilities and thus increase academic achievement, graduation rates and post-school employment and participation in postsecondary school for students with disabilities."

Teachers and school officials were struggling under a crushing paperwork burden under IDEA law, and reducing this paperwork burden would improve outcomes for children with disabilities by allowing teachers to focus more on students and less on the often-unnecessary bureaucracy involved with paperwork, testified Harriet Brown, director of elementary and secondary education policy and procedures in Orlando, Florida.

Brown offered several suggestions for areas where paperwork could be reduced, and pointed out that educating children, not filling out paperwork, is the goal of educators.

"We need to return to the spirit of the law by focusing on teaching and learning while we help students with disabilities achieve," said Brown.

In addition to reducing the paperwork burden, reforms to the IDEA could help improve results for children by reducing misidentification and over-identification of special education students, testified Dr. Douglas Carnine, director and professor of the National Center to Improve the Tools of Educators at the University of Oregon. He pointed out that early intervention strategies can often improve results for children and reduce later identification as being learning disabled.

"Accountability for results with special education students combined with early intervention shows promising results. The President's Commission on Excellence in Special Education reported

that “* * * when aggressive reading programs are implemented with accountability for results, learning disability identifications are reduced,” pointed out Carnine. “They also commented on the identification process stating that ‘the Commission finds that many children who are placed into special education are instructional casualties and not students with disabilities.’”

As mentioned in testimony at the March 13 hearing, in July of 2002, the President’s Commission on Excellence in Special Education released a final report outlining principles for special education reform. That report, with its strong emphasis on paperwork reduction, early intervention, parental choice, and academic results for students, laid the groundwork on which the final special education reauthorization bill was based. The report emphasized the need to move the Individuals with Disabilities Education Act away from compliance with cumbersome and bureaucratic rules and restore the focus to educational results for students.

Led by Subcommittee Chairman Castle, Education and the Workforce Committee members on March 19, 2003 introduced the Improving Education Results for Children with Disabilities Act (H.R. 1350), legislation hailed by one prominent school organization as “the best special education policy revisions we’ve seen in decades.”

The bill was approved by the Education Reform Subcommittee by voice vote, with no recorded opposition, on April 3, 2003. At the time of Subcommittee approval, H.R. 1350 had received significant support from parents, teachers, and those involved in special education, commending the reforms in the bill and emphasizing the importance of improving education results for children with disabilities.

The National Association of State Boards of Education, the Council of Chief State School Officers, the National Conference on State Legislatures, and the National Association of State Directors of Special Education were among organizations voicing support for H.R. 1350’s goals of reducing the paperwork burden and increasing support for teachers.

“Our organizations are particularly pleased with efforts to streamline IDEA by removing bureaucracy and unnecessary paperwork. Special education teachers overwhelmingly list paperwork as the biggest obstacle to delivering quality service to children with disabilities. Time spent on unnecessary administrative activities decreases valuable instructional time and impedes academic progress,” stated a letter from those organizations.

The bill also made several other significant reforms to current law, including a call for stronger accountability and improved results for students, greater flexibility for local school districts to improve early intervention strategies, provisions to reduce the number of children wrongly placed in special education classes, and innovative strategies to reduce litigation and restore trust between parents and school districts. These reforms, many of which were called for by parents and teachers through the web-based “Great IDEAs” project, will significantly renew special education and provide much-needed reforms for students with special needs, noted Castle upon Subcommittee approval.

“We all know that the reauthorization of the IDEA is one of the most important responsibilities that we have in this committee,”

said Castle. “The decisions that we make in this law have a significant impact on the lives of millions of children with disabilities and their parents.”

As discussed in the Full Committee activities section of this report, H.R. 1350 was approved in the House on April 30, 2003, and companion legislation was approved by the Senate in May 2004. On November 17, 2004, a bipartisan House-Senate conference was held to reconcile the bills and produce final special education reform legislation. Based largely on the findings of President Bush’s Commission on Excellence in Special Education, the conference report to H.R. 1350, known in its final form as the Individuals with Disabilities Education Improvement Act, improves educational results for students with disabilities by:

- Making special education stronger for students and parents;
- Reducing unnecessary lawsuits and litigation;
- Supporting teachers and schools; and
- Reforming special education funding and building on historic funding increases.

The bill was signed into law by President Bush on December 3, 2004.

PROTECTING PARENTS FROM BEING FORCED TO MEDICATE THEIR CHILDREN

As part of larger efforts to support parents of children in special education, the Education Reform Subcommittee looked into allegations that parents were being forced to medicate their children as a condition of their attending school. On May 6, 2003, the Education Reform Subcommittee held a hearing on the topic. Witnesses discussed the issues surrounding the increasing use of psychotropic medications in America’s schools, and the role educators can and should play in the decision to medicate a child.

The Subcommittee took an interest in the issue because the use of psychotropic medications, such as Ritalin or Adderall, had become increasingly prevalent in the nation’s schools, causing a debate among parents, schools, and medical professionals as to the appropriate roles each party should play in the process.

In March of 2003, Rep. Max Burns (R-GA) introduced the Child Medication Safety Act (H.R. 1170), a bill that called for states, as a condition of receiving federal education funds, to establish policies and procedures prohibiting school personnel from requiring a child to take medication in order to attend school. A non-controversial provision similar to the Burns measure was included in legislation to reauthorize the Individuals with Disabilities Education Act (IDEA), the nation’s special education law.

“Schools are an important source of information for families and we encourage an open line of communication between schools and families,” said Subcommittee Chairman Mike Castle (R-DE) at the hearing. “Parents, however, should never be forced to decide between getting their child into school and keeping their child off of potentially harmful drugs. School personnel should never presume to know the medication needs of a child. Only medical doctors have the ability to determine if a prescription for a psychotropic drug is physically appropriate for a child.”

To address the issue, a number of states had passed laws preventing school personnel from requiring that a parent medicate

their child in order for the child to attend school, members learned. Connecticut, Minnesota, Illinois, and Virginia had passed such laws, and Georgia, Hawaii, North Carolina, Utah, and Texas had established Commissions or enacted resolutions to investigate this issue or encourage schools to use proven methods of addressing behavior problems instead of relying on medication, the hearing revealed.

Katherine Bryson, a Utah state legislator, testified on her work in her state to prevent “horror stories” in which parents are forced to choose between an education for their children or making their children take medication they fear may be unnecessary and even harmful.

“School personnel faced with children who often have not been properly taught to read, who may be coming to school on a breakfast of sugar or no breakfast at all, who could be affected by lead, mercury or other toxic substances—a plethora of explainable reasons—are assessing them in the classroom as having a ‘learning disorder’ or Attention Deficit Hyperactivity Disorder,” testified Bryson at the hearing. “From here, parents are being coerced into drugging their child with threats of the child’s expulsion or charges of medical neglect by Child Protective Services against the parents.”

“Parents are losing their right to choose. They are being told that ADHD is a ‘neurobiological’ disorder when even the Surgeon General’s 1999 report on mental health cannot confirm this,” continued Bryson. “They are being denied access to tutoring or additional educational services for the sake of a ‘quick fix’ drug like Ritalin that some studies say is more potent than cocaine.”

To protect the rights of parents and ensure medical diagnoses are appropriately made between children, parents, and trained medical personnel, the final special education reform bill signed into law by President Bush on December 3, 2004 (H.R. 1350) included the Burns provision to ensure parents are not forced to medicate their children against their own better judgment.

COMBATING CHILDHOOD OBESITY & ENHANCING INTEGRITY IN SCHOOL LUNCH AND NUTRITION PROGRAMS

Reauthorization of school lunch and child nutrition programs was a high priority for the Education Reform Subcommittee in the 108th Congress. Education Reform Subcommittee Chairman Mike Castle (R-DE) was particularly interested in helping states and local communities address the childhood obesity epidemic, a growing problem for America’s youth.

On July 16, 2003, the Education Reform Subcommittee held a hearing entitled “Food for Thought: How to Improve Child Nutrition Programs” that examined issues surrounding childhood obesity, nutrition programs for children and families and school meal programs.

“There is general agreement on the importance of good nutrition for everyone, especially children,” said Subcommittee Chairman Castle. “Proper nutrition is essential for children to achieve full physical development and long-term health, but questions remain about how the federal government can best provide lower-income children with access to healthy, affordable meals.”

A series of federal child nutrition programs were scheduled to be reauthorized in the 108th Congress. Those programs, representing a \$16 billion yearly commitment by the federal government to the health and nutrition of children and families, include the National School Lunch and Breakfast Programs, the Child and Adult Care Food Program, the Summer Food Service Program, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Witnesses at the hearing made a variety of recommendations on improving these programs.

“The crisis of obesity [is] the fastest growing cause of disease and death in America. And it’s completely preventable,” stated Surgeon General Richard Carmona, while discussing the growth of childhood obesity. He suggested increasing awareness among parents and children of how to prevent obesity by making healthy food choices and increasing physical activity.

“Some people want to blame the food industry for our growing waistlines. The reality is that restaurants, including many fast food restaurants, now offer low-fat, healthy choices. For the meals we eat at home, and the meals we eat out, it’s still our decisions what we eat, where we eat, and how much we eat,” concluded Carmona.

The Education Reform Subcommittee also held a hearing to examine the role overall wellness, including physical activity, plays in improving childhood health and reducing child obesity. Witnesses at the hearing, held February 12, 2004, told the panel physical activity is essential for reducing childhood obesity and promoting healthy lifestyles.

“Parents bear primary responsibility for ensuring that their children eat well and exercise regularly,” said Castle at the hearing. “However, schools can and should play a positive role by giving children access to nutritious meals and snacks, nutrition education, and time to engage in daily physical activity.”

Witnesses examined statistics showing an increase in childhood obesity and explored how physical activity—or a lack thereof—can impact this trend.

“We have all heard the statistics about the health crisis facing our nation’s youth. Probably one of the most widely used and significant is the Center for Disease Control’s (CDC) report that the percentage of children ages 6 to 11 who are overweight has increased nearly 300 percent during the past 25 years,” said Tim McCord, chair of physical education for the Titusville Area School District in Titusville, Pennsylvania.

Promoting healthful choices for children must be a comprehensive effort focused not just on food but on an overall healthy lifestyle, Subcommittee members noted at the hearing. Parents, communities, and schools each have a role to play in reducing childhood obesity and other health risks by encouraging children to make healthy choices in both the food they eat and the activities they participate in, the hearing participants agreed.

Consistent with the hearing findings that comprehensive reforms are needed to improve child nutrition programs and address the childhood obesity epidemic, Rep. Castle on March 3, 2004 introduced the Child Nutrition Improvement and Integrity Act (H.R. 3873). The Education Reform Subcommittee approved the bill the next day by voice vote, with no recorded opposition. The legislation

reauthorized the federal Child Nutrition Act, the Richard B. Russell National School Lunch Act, and related programs.

The Child Nutrition Improvement and Integrity Act improves nutritional services for vulnerable children by strengthening the certification process, ensuring access for eligible children, and addressing program integrity by ensuring benefits are provided to children who are eligible. It also works to help states and local communities address concerns about child obesity, and continues to combat hunger and food insecurity among needy children and families.

The bill, signed into law by President Bush on June 30, 2004 as the Child Nutrition and WIC Reauthorization Act:

- Helps states & schools fight childhood obesity. The Child Nutrition and WIC Reauthorization Act promotes healthy choices and physical activity for children while preserving local decision-making authority. The establishment of local wellness policies, which would be written at the local level to reflect local needs, will promote nutrition education and increased physical activity while maintaining local control. These local wellness efforts will complement the larger aims of federal child nutrition programs—combating hunger and food insecurity, and ensuring eligible children receive nutrition assistance.

- Improves integrity of the school lunch program. The Child Nutrition and WIC Reauthorization Act makes a number of reforms to ensure eligible children have access to services and address growing concerns that the federal school lunch program does not do enough to ensure free and reduced-price lunch benefits go to children who qualify. By strengthening and streamlining the certification process, the bill will ensure federal resources are being effectively leveraged to serve children in need.

- Improves access to nutrition for vulnerable children. The legislation includes steps to improve access for vulnerable children, including: ensuring children whose parents are in the Armed Forces and living in privatized military housing continue receiving free or reduced-price meals at school if they meet eligibility requirements; helping parents by allowing them to submit a single application for multiple children; and reducing paperwork by allowing school lunch certifications to be valid for one full year, preventing situations in which schools are forced to repeatedly certify children within a single school year.

- Improves integrity of the WIC (Women, Infants, & Children) supplemental program. The Child Nutrition and WIC Reauthorization Act also renews the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The bill improves the certification process for WIC participation and takes steps to ensure program integrity. The bill includes common sense cost containment measures to address concerns about efficiency in the use of taxpayer resources, particularly within the WIC program. The strong cost containment measures will ensure WIC food costs and voucher payments are consistent with competitive retail prices for supplemental foods. This common sense reform will improve efficiency in the use of taxpayer dollars while protecting the ability to serve the greatest number of eligible women, infants, and children.

Included in the new law is a provision offered by Rep. Ric Keller (R-FL) to reduce the stigma among children receiving free and reduced-price lunches by helping schools make technological improve-

ments—such as automated “meal card” systems that keep students’ financial status confidential—to increase the efficiency of program operations.

The new law also includes an initiative proposed by Reps. Fred Upton (R-M) and Ron Kind (D-WI) to strengthen partnerships between local agriculture and schools to ensure fresh, local produce can go from farms to schools.

IMPROVING ACADEMIC RESULTS & FINANCIAL ACCOUNTABILITY IN EARLY CHILDHOOD PROGRAMS

In 2002, following completion of the No Child Left Behind Act, President Bush called on Congress to pass legislation to strengthen results in early childhood education, including the federal Head Start early childhood program. Members of the Subcommittee on Education Reform embraced the President’s call for early childhood education reform, which became one of the Committee’s leading priorities for the 108th Congress. However, the attempted Head Start reauthorization in 2003 became the focal point of an intense debate between lawmakers concerned about protecting the rights of children, parents, teachers, and taxpayers, and entrenched lobbying groups devoted to preserving the status quo at any expense. Lobbyists characterized their positions as an effort to “save Head Start,” but by the conclusion of the 108th Congress, many legislators had concluded the real threat to the program’s future success was the lobbying community itself.

Numerous reports of financial and administrative mismanagement by Head Start grantees were documented in the American press during 2003 and 2004. While some characterized the abuses individually as “isolated incidents,” serious potential abuses were documented by the media in more than a dozen cities nationwide in 2003. In one of the worst incidents, a Head Start executive in Kansas City, Missouri—who testified before the Subcommittee on Education Reform in opposition to efforts by President Bush to increase accountability in the Head Start program—was later revealed by the *Kansas City Star* to have been earning a salary in excess of \$300,000 annually and driving a luxury sport-utility vehicle leased, in part, with federal Head Start funds meant for disadvantaged children.

Subcommittee leaders expressed profound disappointment during the 108th Congress concerning the reluctance of lobbying organizations such as the National Head Start Association and the Children’s Defense Fund to condemn the abuses brought to light in Kansas City and other cities. In one prominent case, a top NHSA official even was reported to be at the heart of one of the situations under scrutiny by the media and independent federal auditors. Subcommittee leaders noted annual funding for Head Start had nearly doubled since Republicans took control of the House in the mid-1990s, and expressed concern over growing evidence that a troubling share of these resources never reach the teachers and disadvantaged children they are intended to help. Parents, children, teachers, and taxpayers deserve to know the billions of dollars being invested every year in the Head Start program are being used to help prepare disadvantaged children for kindergarten, Republicans argued.

President Bush called on Congress in 2002 and 2003 to build on the bipartisan reforms of the No Child Left Behind Act by passing legislation to improve student results in early childhood education. The Bush administration noted that many of the nation's governors, Democratic and Republican alike, had for years been seeking greater ability to coordinate between the federally-administered Head Start program and successful state-run early childhood initiatives that mirror Head Start. As both the liberal Brookings Institution and the conservative Heritage Foundation noted in 2003, greater coordination between Head Start and state programs could strengthen early childhood learning across the nation.

Subcommittee members expressed support for the administration's goal of strengthening Head Start's academic components, describing Head Start as "a great program that is capable of achieving even greater results." Republicans noted studies showing that while children in Head Start show improvement in key subjects, they still leave the program with knowledge levels far below national averages for U.S. children. According to official federal data, Republicans noted, Head Start children lag behind their more affluent peers in crucial early learning knowledge areas. As a result of this "readiness gap," Head Start children are not being adequately prepared for school in key areas of cognitive development shown to be critical for later school success, they argued. Republicans also signaled their desire to use the Head Start reauthorization to address concerns about financial accountability in the Head Start program.

On May 22, 2003, Subcommittee Chairman Mike Castle (R-DE) introduced the School Readiness Act (H.R. 2210), a five-year Head Start reauthorization bill seeking to strengthen the academic components of Head Start while preserving the comprehensive services such as health and nutrition that the program already provides to needy children. The bill included provisions that would improve accountability in Head Start and help to prevent some of the reported abuse of Head Start funds at the local level. The legislation also placed a greater emphasis than ever on the importance of Head Start teachers, who Republicans warned were being hurt by a system that was allowing millions of dollars to be used for questionable expenditures such as leasing luxury SUVs instead of improving teacher salaries and classroom conditions. By proposing increased accountability, revamping some aspects of the current monitoring program, and allowing a small number of highly-qualified states a role in program administration and oversight, the School Readiness Act sought to help ensure Head Start funds are used for their proper purpose—making sure disadvantaged children enter kindergarten ready to learn.

Among the key reforms proposed in the School Readiness Act to strengthen Head Start:

- Improving oversight. Many of the problems of financial misuse facing Head Start centers have developed as a result of the disconnect between local grantees and the U.S. Department of Health and Human Services (HHS), which oversees the program. H.R. 2210 proposed allowing a small number of highly-qualified states to coordinate existing state pre-kindergarten programs with Head Start, ensuring additional accountability by allowing state involvement in fiscal decisions and oversight of local Head Start budgets.

With a smaller pool of grantees to monitor than HHS, states could discover and correct financial abuse as it happens, rather than waiting until millions of dollars are misspent, backers argued.

- Tighter controls on taxpayer-funded travel. The School Readiness Act proposed permitting federal Head Start funds to be used by local grantees for meeting and/conference travel only if similar training or technical assistance is not available locally.

- Unannounced monitoring visits. In order to get an accurate picture of the situation at each Head Start center, HHS would have been authorized to conduct unannounced monitoring visits under the School Readiness Act.

- Contracting out monitoring duties. By allowing HHS to hire outside contractors to monitor local Head Start agencies and grantees, H.R. 2210 proposed to reduce potential conflicts of interest. Outside monitors would also have helped to ameliorate HHS's manpower shortage, and allowed closer monitoring of more grantees. Contracting out these important positions would enable federal authorities to catch and correct any financial misuse earlier, supporters of the bill argued.

- Weeding out poor-performing programs. For the first time, Head Start grantees would have been required to set program goals for academic achievement *and meet them* before their funding was renewed. Supporters argued this would create greater fairness for successful grantees that deserve to be rewarded and recognized for their efforts.

Preventing financial abuse was far from the only objective of the School Readiness Act, however. To close the readiness gap between Head Start children and their peers and strengthen Head Start, the School Readiness Act proposed:

- Emphasizing “what works” in preparing disadvantaged children for school. The proposal sought to strengthen Head Start's academic standards by emphasizing cognitive development and the results of scientifically-based research in topics critical to children's school readiness (including language, pre-reading, pre-mathematics, and English language acquisition). The changes would be similar to those adopted with strong bipartisan support for President Bush's Reading First and Early Reading First initiatives, established in the No Child Left Behind Act for K–12 education.

- No new testing. The proposal sought to maintain current law with respect to regular local assessments of the academic progress being made by children enrolled in Head Start. No new testing would have been mandated under the bill. Local Head Start grantees would have been subject to the same three-year review (“triennial review”) process as they were under current law, but would have been evaluated based on criteria that were more straightforward and reflective of the progress being made in preparing children for school.

- Ensuring local Head Start centers are fairly evaluated on their performance. The bill sought to eliminate arbitrary “performance measures” in current law that do not adequately gauge children's progress. These flawed measures, supporters noted, would be replaced by a more straightforward system that took into account a child's progress in key areas relating to school readiness, better enabling parents and teachers to know how each child was progressing.

- Continuing to provide extra help for Head Start centers identified as underachieving. Under the bill (as under current law), Head Start centers identified as underachieving would have qualified for additional assistance. Chronic underachievers that continued to underachieve even after receiving additional assistance would have been subject to review, as under current law.

- Improving teacher quality in Head Start. The bill sought to ensure that a greater number of Head Start teachers were adequately trained and educated in early childhood development, particularly in teaching the fundamental skills of language, pre-reading, and pre-mathematics. The bill would have required all new Head Start teachers to have had at least an associate's degree in early childhood education or a related field within three years, and 50 percent of Head Start teachers nationwide to have had at least a bachelor's degree by 2008. Supporters noted these provisions would have helped to meet a goal set by the National Head Start Association, which called for 75 percent of all Head Start teachers to have at least an associate's degree by 2005, and for all Head Start teachers to have at least an associate's degree by 2008.

- Serving more children by reducing HHS expenses. The bill sought to place a 2% cap on U.S. Department of Health and Human Services (HHS) spending for Head Start expenses, which would have allowed as many as 10,000 more disadvantaged children to be served by Head Start. The legislation specified that at least 50% of such funds would have to have been used at the local level, rather than by federal or state officials.

- Preserving all current health and nutrition services for Head Start children. While the academic components of Head Start would have been strengthened, all existing health and nutrition-related components of Head Start would have been preserved and extended under the School Readiness Act.

- Keeping Head Start at the U.S. Department of Health and Human Services (HHS). HHS would have continued to administer the Head Start program under the bill introduced by Chairman Castle.

- Providing incentives for states to maintain or expand funding for early childhood education. As many states confronted budget difficulties in 2003, some were reducing (or considering reducing) their spending on early childhood education programs. To provide an incentive for states to continue investing in early childhood education, the School Readiness Act sought to create a limited demonstration project by which a limited number of states could have voluntarily applied for and received the option of coordinating Head Start programs with their own early childhood education programs, in exchange for an agreement to maintain or expand funding for early childhood education. The "state demo" would have been limited to states with a demonstrated investment in early childhood education and an established, pre-existing preschool system. Participating states would have been barred from making funding cuts to early childhood education programs as a condition of their participation. In addition, a "hold harmless" provision was included guaranteeing funding for Head Start centers in participating states during the first year of implementation of the demonstration project. The state demonstration project in the School Readiness Act Head Start reflected principles that had been adopt-

ed by the bipartisan National Governors Association (NGA) at its annual meeting in 2002.

- **Shielding Head Start and other early childhood education programs against state budget cuts.** Supporters noted the bill would have effectively “walled off” early childhood education funding in states that chose to participate in the state demonstration program. Under the bill, a state participating in the demonstration project would have been required to maintain or expand its financial commitment to early childhood education to qualify for participation. Participating states would not have been permitted to use early childhood funds for anything other than Head Start and early childhood education.

- **Increasing Head Start funding.** The bill would have authorized a \$202 million increase in funding for Head Start—to \$6.87 billion, meaning Head Start funding would have nearly doubled during a seven year time period. Funding for Head Start in FY 1996, the first fiscal year under a Republican-led House, was approximately \$3.8 billion. The bill also sought to authorize a separate \$5 million to provide additional administrative support to states selected to participate in the state demonstration program. This money would have been a one-time allotment to help such states coordinate Head Start with their state initiatives.

On June 3, 2003, the Education Reform Subcommittee conducted a hearing to receive public testimony on the School Readiness Act as introduced. Witnesses at the hearing indicated they shared Republicans’ about the lingering readiness gap between Head Start children and their peers, and praised the bill’s efforts to give a limited number of states greater ability to coordinate between Head Start and their own early childhood programs. Dr. Robert Lawrence, Director of the Head Start State Collaboration Program for the state of Georgia, expressed his belief that Georgia’s model of collaborative state-funded preschool programs “met its goal of preparing children to enter school with the necessary cognitive, physical, social and emotional skills and abilities to be successful.” Dr. Lawrence also said his state would be interested in participating in the state demonstration program, should the opportunity arise, and that the resulting collaboration would make “measurable improvements in the lives of the children and families of our state.”

The School Readiness Act was approved by the full Education and the Workforce Committee on June 19, 2003. During debate in Committee, Republicans countered claims by lobbyists and Democratic opponents that the state demonstration program included in the bill would create a “block grant” that would “dismantle” Head Start. Full Committee Chairman John Boehner (R-OH) read through a list of 16 major requirements in the bill that any state hoping to participate in the pilot project would have to meet and agree to maintain in order to even be considered for being given a greater role in overseeing Head Start. The requirements virtually ruled out any state that could not guarantee services for poor children that were as good as, or better than, the services currently provided under Head Start, Boehner noted.

Amendments made to the School Readiness Act in Committee included a number of technical and clarifying changes. An amendment by Rep. Vernon Ehlers (R-MI) proposed to increase the funding available to serve migrant and seasonal Head Start programs,

including children with limited English proficiency, by using surplus training and technical assistance funds to increase the number of slots available to this underserved population.

A number of late-breaking developments set the stage for House passage of the School Readiness Act during the summer of 2003.

On July 7, 2003, President Bush gave his first speech on Head Start reform since the introduction of the School Readiness Act, during a tour of Highland Park Elementary School in Landover, MD.

On July 23, 2003, testimony was received in the Senate from the independent Government Accountability Office (GAO) further underscoring the need for congressional action to give qualified states a greater role in Head Start oversight. Testifying before a hearing of the Senate Committee on Health, Education, Labor and Pensions (HELP), Marnie S. Shaul, director of Education, Workforce, and Income Security Issues for the GAO, testified that barriers to collaboration among programs administered by states and Head Start are impeding the effectiveness of all programs.

A day later, on July 24, the independent Brookings Institution released a policy brief calling on Congress to enact legislation that would allow a limited number of states to implement President Bush's proposal for reforming Head Start. The policy brief analyzed the history of early childhood care and education, and assessed the current state of programs as contributing to the readiness gap between disadvantaged children and their more affluent peers. "The Administration proposal requires states to find ways to do what Head Start has not done sufficiently—improve the school readiness of poor children," wrote the report's authors, Brookings' Ron Haskins and Isabel Sawhill. The Brookings report concluded with an evaluation of a pilot program similar to that offered in the School Readiness Act: "This demonstration plan represents a reasonable compromise between those who are concerned that the quality and even existence of Head Start would be jeopardized by turning responsibility for the program over to states, and those who believe that states can improve preparation for school through increased coordination and accountability. *Given the immensity of the task and the modest success achieved thus far, new ideas are worth trying.*"

House Republicans reached agreement July 24, 2003 on a Head Start amendment that paved the way for floor action on the School Readiness Act. It was decided that the consensus agreement would be offered as an amendment in the nature of a substitute to the Committee-approved version of H.R. 2210 on the House floor.

"We have listened to concerned Members, Head Start providers and parents in crafting these improvements to the bill," said Chairman Castle when the agreement was announced. "This legislation will strengthen Head Start and truly help these young children by better preparing them for their school years."

The consensus agreement:

- Maintained the planned \$202 million increase in authorized funding for Head Start for FY 2004, as well as the planned authorization of an additional \$5 million to provide additional administrative support to states selected to participate in the eight-state demonstration project.

- Set specific spending levels for Head Start for FY 2005 through FY 2008, with no “cuts” made to Head Start.

- Guaranteed funding for all successful Head Start centers in states participating in the eight-state demonstration project for five years (the length of the reauthorization), instead of the three years proposed in the legislation passed by the Education and the Workforce Committee in June. Through this five-year “hold harmless” provision, such states would be allowed to consider funding changes for such centers only when such centers were failing to meet high standards for the services they provide to children, just as in Head Start programs run by the federal government.

- Clarified that a state would need to have school readiness standards in place in FY 2003 in order to qualify for the demonstration project. A state that currently had such standards under development, but had not yet completed them, would not qualify.

- Reaffirmed protections in H.R. 2210 that guaranteed children in Head Start programs in states participating in the eight-state demonstration project would receive services equivalent to, or better than, what they are currently receiving from the federally-administered program.

- Specified pilot states could only use federal Head Start funds to provide Head Start-related services; could not supplant state or local funds; could not cut state funding for early childhood programs; and must provide 50 cents in early childhood funding for every federal Head Start dollar received.

As in the earlier bill, the consensus bill required no new testing; weeded out poor-performing programs; restored civil rights protections for faith-based organizations participating in Head Start, affirming they are not violating federal law when they hire on a religious basis; and emphasized academic instruction methods rooted in proven scientific-based research, Republicans noted.

The consensus agreement reaffirmed a series of guidelines for states participating in the eight-state demonstration project:

- Early childhood programs would be shielded from state budget cuts. Pilot states would have to maintain or increase funding for early childhood programs. States interested in participating in the eight-state pilot project would maintain or increase fiscal year 2003 state funding levels for early childhood education as a condition of participation. No cuts would be permitted.

- States would provide an additional financial contribution, equal to 5% of their federal Head Start allotment.

- Head Start funds would only be used for Head Start-related uses.

- All comprehensive health and nutritional services currently provided by Head Start would continue to be provided.

- Parental involvement strategies would be developed.

- State teacher quality standards would meet or exceed the new requirements for Head Start programs administered by the federal government.

- State school readiness standards would be aligned with state K–12 educational standards, and would meet or exceed federal Head Start standards.

- States would continue to provide services that are at least as extensive, and are provided to at least as many low-income children and families, as they did in fiscal year 2003.

On July 25, 2003, following this consensus agreement, the House of Representatives passed the School Readiness Act despite the barrage of misleading attacks thrown in its path by lobbying groups.

"The goal of this legislation is to help all young children, no matter what their background, have the chance to reach their potential," Chairman Castle said. "Improving Head Start by increasing its academic focus will help low-income children succeed when they enter school. The President was right to shine a light on this issue, and I am proud that the House has responded to the challenge to strengthen the Head Start program and give children a stronger head start in their lives."

The Council of Chief State School Officers (CCSSO), representing the nation's top state education leaders, endorsed the House-passed School Readiness Act, and publicly took issue with the National Head Start Association's characterization of the bill's state demonstration program as a plan to "block grant" Head Start to states.

Following House passage of the bill, attention shifted to the Senate HELP Committee. Senate Democrats offered a partisan Head Start reauthorization bill on July 29 that House Republicans noted would do little to improve direct coordination between Head Start and successful state-run early childhood programs—and as such, would do little to close the school readiness gap that continues to exist between Head Start children and their more affluent peers. House Republicans also noted the Senate Democrat bill omitted provisions passed by the House ensuring that faith-based organizations participating in Head Start would retain their religious staffing freedom, a right guaranteed to them in the Civil Rights Act of 1964. A chorus of outside groups—including the Center for Public Justice, the Union of Orthodox Jewish Congregations of America, the Christian Legal Society, the National Association of Evangelicals, and the Coalition to Preserve Religious Freedom—criticized the Senate Democrat bill, charging it "strips away historic civil liberties of America's religious organizations."

During the autumn of 2003, Boehner and Castle requested that the U.S. Department of Health and Human Services provide detailed information about how federal Head Start dollars were being used at the local level. The Committee leaders requested information about Head Start salaries, travel expenses and other significant expenditures made with federal Head Start funds that are intended to help teachers prepare disadvantaged children for kindergarten. HHS officials agreed to comply with the request.

The National Head Start Association in January 2004 filed a lawsuit to block the Department from complying with the congressional request. Committee leaders strongly criticized the lobbying organization for its action.

"After the recent Head Start scandals involving clear abuse of funding to line administrators' pockets, I am appalled at the Head Start Association's refusal to fill out a survey detailing Directors' salaries," said Castle. "Federal Head Start funds should be used to help our unfortunate children prepare for a solid education."

"As we look to improve Head Start—especially after the abuse of Head Start funds by administrators—I must ask why the National Head Start Association believes they should be exempt from reporting their salaries," Castle said. "This refusal clearly flies in the face

of accountability and reform and violates the law. If not anything else, they should be exposing their salaries as a means to attest that they are on a true path of reform and are not jeopardizing our children's futures by some larger crusade."

"This lawsuit is a huge step backwards on the road to restoring public confidence in the Head Start system, and it is likely to only deepen the Head Start establishment's growing credibility problem," said Boehner.

"If the abuses reported last year were truly isolated incidents, it's difficult to understand why Head Start lobbyists would want to make it difficult for the public to have the information HHS has requested," Boehner said. "The public has a right to know the billions of dollars they are investing annually in Head Start are being used to help teachers prepare disadvantaged children for kindergarten, not to lease Mercedes SUVs for local executives."

The judge in the case agreed, rejecting the NHSA's lawsuit just days after it was filed.

Secretary of Health and Human Services Tommy Thompson responded to the congressional request on May 13, 2004, in a letter sent to Capitol Hill. The inquiry "brought additional management issues to light" with respect to Head Start, Thompson said in the letter. Committee leaders welcomed the Secretary's cooperation with the request, while noting the information HHS provided as a result of the survey seemed to raise more questions than it answered.

"The results of this inquiry suggest that while many Head Start grantees are taking pains to ensure federal Head Start funds are spent directly on disadvantaged children, others are not," said Boehner. "Families, teachers, taxpayers, and Head Start grantees across the nation who are doing good work deserve to know where the bad apples are. We commend Secretary Thompson and his Department for taking steps to improve accountability in the Head Start program, and look forward to continuing to work with the administration toward this goal for our nation's most disadvantaged children."

"I appreciate this report because it helps us to gain a better understanding of what is being spent on salaries, travel and other compensation, and displays that these abuses aren't a uniform occurrence across the nation," said Castle. "The Head Start agencies who are diverting funding away from disadvantaged children for their own gain should reform their practices at once and the other agencies who are truly putting our children first must continue to serve as an example. I will continue to work with my colleagues to push reform legislation to reign in inappropriate spending and to help states become more involved in decision making at these centers."

The results of the HHS inquiry revealed a wide disparity in Head Start spending practices by the nation's largest Head Start grantees. While many local grantees appear to be working to ensure federal Head Start funds are spent directly on preparing disadvantaged children for kindergarten, Republicans noted, others appear to be spending unusually large percentages of their Head Start funds on meeting and conference travel, and/or billing Head Start for lavish salary and compensation packages for their top ex-

ecutives. HHS asked Head Start grantees to self-check and confirm the data in the report before it was transmitted to Congress.

A summary of the findings reported to Congress by HHS in May 2004:

- Disparities in travel expenditures. Executives of 25 local Head Start grantees collectively spent \$8.9 million on meeting and conference travel in fiscal year 2002. While many grantees spent only a small fraction of their annual budgets on travel, others spent between 20 and nearly 40 percent of their annual budgets on such travel, billing it to Head Start as training or technical assistance expenses.

- High salaries & compensation for executives. More than a dozen local Head Start executive directors nationwide received a larger annual salary in fiscal year 2002 than the U.S. Secretary of Health and Human Services, whose agency oversees the entire Head Start program, currently receives (\$171,900). While some local grantees used Head Start funds to pay only a small fraction of the salary and compensation packages for their executives, other grantees billed Head Start for much or nearly all the annual amount. In at least three cases, Head Start executives received an annual compensation in excess of \$230,000, and 69% or more of that compensation was charged to Head Start.

- New questions about executive perks. The HHS report did not disclose the value of other “hidden” perks executives may be receiving, such as the use of vehicles leased with Head Start funds meant for disadvantaged children.

- New questions about executive travel. The HHS report did not disclose the locations to which grantees traveled.

- New questions about administrative compensation. The report to Congress disclosed only a partial picture of the extent to which federal Head Start funds are used by local grantees to pay administrative salaries, because it provides information only on the salaries and compensation of the top-ranking Head Start executives at each operation. The report does not identify grantees that are paying large federally-funded salaries to a number of individuals with a range of different titles, for example.

On November 25, 2003, along with Senators Judd Gregg (R-NH) and Lamar Alexander (R-TN), Boehner and Castle requested that the independent Government Accountability Office (GAO) review current Head Start accounting practices and make recommendations, if needed, to improve the fiscal management and accountability of local grantees. GAO is expected to complete its report in early 2005, and the recommendations in the study could have a significant impact on efforts to reauthorize the Head Start program during the 109th Congress.

IMPROVING RESULTS AND LOCAL CONTROL IN VOCATIONAL AND TECHNICAL EDUCATION

As part of ongoing efforts to reform American education, the Education Reform Subcommittee in the 108th Congress also began efforts to reauthorize vocational and technical education programs under the Carl D. Perkins Vocational and Technical Education Act, often known simply as the Perkins program.

On April 27, 2004, the Education Reform Subcommittee kicked off reauthorization efforts with a hearing examining vocational and

technical educational opportunities for secondary and postsecondary students. A second hearing was held on May 4, 2004, which looked in greater detail at how these programs could be strengthened to better integrate academic learning with vocational and technical education skills to prepare students for postsecondary education or other opportunities.

"Progress has been made since the 1998 reauthorization of the Perkins Act in modernizing vocational and technical education programs by creating an initial performance accountability system and strengthening the focus on academic performance among participating students," said Subcommittee Chairman Mike Castle (R-DE) at the April 27 hearing. "Whether a student progresses directly to the workforce, or goes on to an institution of higher education, it is imperative they have a strong academic base."

"However, we know that the education supported through the Perkins Act needs to reflect the changing reality of our dynamic economy. Technology and economic competition are combining in unprecedented ways to change education and redefine the American workplace. Unlike jobs a half-century ago, many of today's jobs demand strong academic and technical skills, technological proficiency, and education beyond high school," continued Castle. "Our challenge during reauthorization of this Act will be to ensure that all students pursuing vocational and technical education are academically prepared to make decisions affecting their future after graduating from high school."

On June 3, 2004, Rep. Castle introduced the Vocational and Technical Education for the Future Act (H.R. 4496), a bill that sought to strengthen and renew vocational and technical education programs. The bill proposed reforms to help states better utilize federal funds for secondary and postsecondary vocational education programs, increase accountability and emphasize student achievement, and strengthen opportunities for coordination between secondary and postsecondary vocational and technical education. It also continued to move away from the so-called "School to Work" initiatives of the past, and solidified the position that local communities should have the final say when it comes to decisions about education for their students.

In a hearing held on June 15, 2004, witnesses told the Education Reform Subcommittee the Vocational and Technical Education for the Future Act would improve educational opportunities for students, and better serve them in a changing education and workforce environment.

"[The Vocational and Technical Education for the Future Act] is critical to America's continued global competitiveness. The act builds on the rigorous and challenging academic foundation established by the No Child Left Behind Act and supports the development of high quality essential technical skills," said Dr. Robert Sommers, CEO of Butler Technology and Career Development Schools in Ohio.

"Fewer and fewer jobs are available to individuals that are either academically ill-prepared or technically unskilled. Everywhere, the academic expectations are rising and so are the technical knowledge and skill requirements," continued Sommers.

According to the National Center for Education Statistics, 66 percent of all public secondary schools have one or more vocational

and technical education programs with approximately 96 percent of high school students taking at least one vocational and technical course during their secondary studies. Vocational and technical education is an important postsecondary option as well. More than 2,600 postsecondary sub-baccalaureate institutions, such as community colleges, technical institutes, skill centers, and other public and private colleges, also offer vocational and technical education.

Reforms made to the Perkins Act in 1998 increased the focus on academic and technical skills, and on ensuring students complete their programs and transition into successful employment or further education. The Vocational and Technical Education for the Future Act aimed to build on the 1998 reforms, proposing to increase the emphasis on accountability and student academic achievement and update programs to reflect the changing needs of America's education and workforce systems. To improve educational opportunities and strengthen vocational and technical education, the bill proposed:

- Helping states better utilize federal funds for secondary and postsecondary vocational education programs;
- Increasing accountability and emphasize student achievement; and
- Strengthening opportunities for coordination between secondary and postsecondary vocational and technical education, including the creation of model sequences of courses.

An amendment offered by Rep. Tom Osborne (R-NE) during Subcommittee consideration of the bill and approved by voice vote would have allowed vocational and technical education programs to provide entrepreneurial education and activities, strengthening opportunities for students and encouraging programs to help students successfully participate in postsecondary education or other opportunities.

The Vocational and Technical Education for the Future Act was approved by the Education Reform Subcommittee on July 14, 2004 by voice vote, with bipartisan support. The bill also cleared the full Education and the Workforce Committee by voice vote on July 21, 2004.

ENHANCING FINANCIAL LITERACY, HELPING STUDENTS PLAN FOR THE FUTURE

The Education Reform Subcommittee in the 108th Congress began to look at the status of financial literacy among youth, holding a hearing on October 28, 2003 to learn about current efforts by the public and private sector to improve the financial literacy of the nation's students. The hearing focused on how states and local school districts are helping elementary and secondary students learn basic financial management skills and highlighted individual programs run by public and private organizations that strive to provide students with a solid financial education.

"Today, our nation's youth are bombarded with a multitude of financial options at an increasingly young age, yet many are ill-equipped to make informed decisions about financial matters," said Subcommittee Chairman Mike Castle (R-DE).

"Various public and private organizations have developed programs to promote public knowledge of basic finances," said Castle. "Many of these organizations are working with elementary and sec-

ondary students to provide them with a strong education in money management and provide teacher training on how to integrate basic financial education principles into curricula.”

As the financial world has become increasingly complex, consumers have been faced with a growing number of decisions about their financial future, Subcommittee members noted.

“Make no mistake, personal finance through economics and financial literacy is the key to helping our youth avoid the pitfalls of foreclosure, predatory lending and credit counseling as adults. It is our duty to help them succeed in today’s increasingly sophisticated world of finance,” said Rep. Judy Biggert (R-IL), who introduced legislation in the 108th Congress seeking to identify the best practices in teaching financial literacy programs.

The need for financial education has never been clearer, testified Bob Duvall, CEO of the National Council on Economic Education.

“We must prepare our students with the basics of economic and financial literacy so that they can succeed in life,” Duvall said. “This literacy, together with reading and mathematics, is key to home ownership, managing credit, financing higher education, saving for retirement, and citizenship.”

The U.S. Department of the Treasury worked with the U.S. Department of Education during President Bush’s first term to encourage schools to integrate basic financial education into their reading and math curriculum in accordance with the goals of the No Child Left Behind Act. During the 108th Congress, Subcommittee members noted that the No Child Left Behind Act includes several provisions that encourage improved financial literacy. For example, the law allows local school districts to use Local Innovative Education Programs funds to support activities that promote consumer, economic, and personal finance education. NCLB also contains the Excellence in Economic Education program that authorizes the Secretary of Education to award a grant to a non-profit entity to foster financial literacy through a variety of activities. In an effort to examine the topic of financial literacy, the U.S. Department of Education held a Forum on Economic Education and Financial Literacy on January 17, 2003.

SUPPORTING IMPLEMENTATION OF THE NO CHILD LEFT BEHIND ACT OF 2001 (NCLB)

On September 20, 2004, Education Reform Subcommittee Chairman Mike Castle (R-DE) conducted a Subcommittee site visit to study progress being made in Delaware to implement the No Child Left Behind Act. The site visit featured the testimony of William Sokol, a retired public school teacher and active member of the National Education Association (NEA).

“The No Child Left Behind law has had a larger positive impact on public education than any other program over the span of my 39 years of teaching. The beauty of NCLB is that it is helping all students at all levels in all subjects,” wrote Mr. Sokol in his testimony.

Improvements are being made in public schools, and they are attributable to both the NCLB law itself and the good work of dedicated teachers and school administrators who have been supported by it, Sokol said.

Mr. Sokol retired at the end of the 2003–2004 school year after 39 years teaching Chemistry at Newark High School. In addition to his duties at Newark, Mr. Sokol served as an Adjunct Assistant Professor at Delaware State University in 1980, and as a summer Chemistry Instructor at the University of Delaware in 1985 and 1989. In addition to being recognized by students for his contributions to their achievement, Mr. Sokol was honored by the American Chemical Society in 1985 as the Chemistry Teacher of the Year and by the Christina School District in 2004 for making “Outstanding Contributions to Education.” He was also selected as a founding member of the University of Delaware’s “Academy of Master Teachers” in 2002.

In addition to Delaware site visit, the Subcommittee on Education Reform conducted two field hearings to study the progress states and local school districts are making in implementing the No Child Left Behind Act. A more detailed account of each field hearing is included in the main Committee section.

PROVIDING ASSISTANCE TO LOW-INCOME FAMILIES

In addition to the education reform activities undertaken by Chairman Mike Castle’s (R–DE) Subcommittee in the 108th Congress, the Subcommittee also examined programs in its jurisdiction created to provide assistance to low-income families.

On July 8, 2003, the Education Reform Subcommittee held a hearing to examine two federal block-grant programs, the Low Income Heating Assistance Program (LIHEAP) and the Community Services Block Grants (CSBG), which deliver aid to low-income families and communities. Led by Chairman Castle, the Subcommittee listened to a panel of experts discuss the benefits of the two programs, as well as what improvements might be made.

LIHEAP provides federal funds for states and localities to operate home energy assistance programs for low-income households. The program also authorizes a separate emergency fund that may be used at the discretion of the President in response to a natural disaster or other emergency need. CSBG is a federal anti-poverty block grant that funds a state-administered network of more than 1,100 public and private groups that deliver social services to low-income Americans. The program funds groups that assist individuals with employment, housing and emergency food services.

On September 5, 2003, Rep. Tom Osborne (R–NE), vice chairman of the Subcommittee, introduced legislation (H.R. 3030) to reauthorize the Community Services Block Grant program. The bill proposed extending the life of the anti-poverty programs under CSBG until at least 2009, while strengthening accountability and preserving current law protections for faith-based organizations using CSBG funds.

H.R. 3030 called for new provisions to ensure quality and accountability in the block grants, such as requiring states to take swift action to correct or defund persistently low-performing grantees, insisting that Community Action Agencies (CAAs) develop and meet locally-determined goals, in addition to state goals and performance measures, and requiring states to justify the continued funding of low-performing local groups. The bill also kept the funding for all CSBG programs, including discretionary programs, at current levels.

“The CSBG program is an essential tool in meeting the unique needs of low-income communities across the country,” said Subcommittee Chairman Castle during consideration of the measure. “These programs are especially vital because they often serve as a conduit in assisting low-income individuals and families in becoming self-sufficient. From community to community you may find different services, but they are all working toward the same goal.”

H.R. 3030 was approved by the full Education and the Workforce Committee on October 1, 2003, after the Committee defeated an amendment that would have stripped faith-based organizations of their right to control the character of their organizations through their hiring practices. The right of religious charities to make employment decisions based on religion was granted to such groups by an amendment to the Civil Rights Act of 1964, reaffirmed by the U.S. Supreme Court in multiple decisions, and signed into law by former President Bill Clinton in 1998, during the last reauthorization of CSBG. H.R. 3030 was approved by the House of Representatives on February 4, 2004.

II. HEARINGS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

March 6, 2003—Hearing on “Head Start: Working Towards Improved Results for Children” (108–5)

March 13, 2003—Hearing on “IDEA, Focusing on Improving Results for Children with Disabilities” (108–9)

May 6, 2003—Hearing on “Protecting Children: The Use of Medication in Our Nation’s Schools and H.R. 1170, Child Medication Safety Act of 2003” (108–14)

June 3, 2003—Hearing on H.R. 2210, “School Readiness Act of 2003” (108–17)

July 8, 2003—Hearing on “LIHEAP & CSBG: Providing Assistance to Low-Income Families” (108–23)

July 16, 2003—Hearing on “Food for Thought: How to Improve Child Nutrition Programs” (108–27)

September 29, 2003—Field hearing on “Keeping Schools Safe—the Implementation of No Child Left Behind’s Persistently Dangerous Schools Provisions” in Denver, Colorado (108–34)

October 20, 2003—Field Hearing on “No Child Left Behind’s Education Choice Provisions: Are States and School Districts Giving Parents the Information They Need?” in Taylors, South Carolina (108–38)

October 28, 2003—Hearing on “Financial Literacy Education: What Do Students Need to Know to Plan for the Future?” (108–39)

108th Congress, Second Session

February 11, 2004—Hearing on “Preventing Underage Drinking: What Works” (108–42)

February 12, 2004—Hearing on “Encouraging Healthy Choices for Healthy Children” (108–43)

April 27, 2004—Hearing on “Examining Success in Vocational Education” (108–53)

May 4, 2004—Hearing on “Strengthening Vocational and Technical Education” (108–56)

June 15, 2004—Hearing on “H.R. 4496, the Vocational and Technical Education for the Future Act” (108–62)

III. MARKUPS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

April 2, 2003—H.R. 1350, Improving Education Results for Children With Disabilities Act of 2003 was ordered favorably reported, as amended, to the Full Committee by voice vote.

June 12, 2003—H.R. 2210, School Readiness Act of 2003 was ordered favorably reported, as amended, to the Full Committee (11–9).

108th Congress, Second Session

March 4, 2004—H.R. 3873, The Child Nutrition Improvement and Integrity Act was ordered favorably reported, as amended, to the Full Committee by voice vote.

July 14, 2004—H.R. 4496, Vocational and Technical Education for the Future Act was ordered favorably reported, as amended, to the Full Committee by voice vote.

IV. SUBCOMMITTEE STATISTICS

Total Number of Bills and Resolutions Referred to Subcommittee	173
Total Number of Hearings	14
Field	2
Joint With Other Committees	0
Total Number of Subcommittee Markup Sessions	4
Total Number of Bills Reported From Subcommittee	4

SUBCOMMITTEE ON SELECT EDUCATION

I. SUMMARY OF ACTIVITIES

In the 108th Congress, the Subcommittee on Select Education held numerous hearings and approved several important pieces of legislation to strengthen higher education, protect vulnerable children, and maintain strong oversight over the financial management at the U.S. Department of Education.

The Select Education Subcommittee, chaired in the 108th Congress by Rep. Pete Hoekstra (R-MI), has jurisdiction over programs and services that provide care and treatment for certain at-risk youth, including child abuse prevention and child adoption. In addition, the Subcommittee oversees several important higher education programs, including international and foreign language studies; graduate programs; and oversight of programs for minority serving institutions, including Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), and Tribally Controlled Colleges and Universities (TCCUs).

Under the leadership of Subcommittee Chairman Hoekstra, the House passed, and President Bush signed, major bills in the 108th Congress to strengthen protections and services for at-risk youth. Hoekstra’s Subcommittee approved legislation reauthorizing several laws to prevent child abuse and strengthen adoption opportunities. The Subcommittee saw enactment of the Keeping Children and Families Safe Act (H.R. 14), which reauthorized the Child Abuse Prevention and Treatment Act; the Family Violence Preven-

tion Services Act; the Abandoned Infants Assistance Act; and the Adoption Opportunities Act.

President Bush also signed the Runaway, Homeless, and Missing Children Protection Act (H.R. 1925) into law, another important legislative achievement that strengthens protections and services for vulnerable youth. That bill was authored by Rep. Phil Gingrey (R-GA), and was the first substantive legislation authored by a freshman Representative signed into law in the 108th Congress.

The Museum and Library Services Act (H.R. 13), another priority of the Select Education Subcommittee, was also signed by President Bush in 2003. The legislation, introduced by Subcommittee Chairman Hoekstra, provides federal support for libraries and museums in coordination with state, local, and private efforts. Enactment of the bill was a longstanding priority for the Education and the Workforce Committee, with similar legislation having passed the Committee with bipartisan support in the 107th Congress.

As part of a comprehensive effort by the full Education and the Workforce Committee to strengthen and renew postsecondary education programs under the Higher Education Act (HEA), the Select Education Subcommittee also approved two bills aimed at strengthening graduate studies, and enhancing opportunities for international and foreign language studies that have taken on increased importance in the post-9/11 era. While the bills were not acted upon by the Senate, similar legislation is expected to be introduced by Committee members early in the 109th Congress as part of larger efforts to reauthorize the Higher Education Act.

Following are more comprehensive details of the activities of the Subcommittee on Select Education in the 108th Congress (January 2003–December 2004).

REVAMPING INTERNATIONAL PROGRAMS IN HIGHER EDUCATION

As part of a comprehensive effort to strengthen and renew postsecondary education under the Higher Education Act (HEA), the Select Education Subcommittee investigated federally-funded international and foreign language studies programs at America's colleges and universities. As Congress prepared to reauthorize the programs, funded under Title VI of the HEA, the Select Education Subcommittee undertook the vital task of examining what role these programs would play moving forward into the 21st Century, with international knowledge playing a more important role than ever in the post-September 11 era.

On June 19, 2003, the Select Education Subcommittee held a hearing to examine questions of bias in the international and foreign language programs. The panel, chaired for the hearing by Rep. Phil Gingrey (R-GA), heard testimony from scholars, administrators, and education experts on questions about the teaching and scholarship practices in programs funded by Title VI of the Higher Education Act. Media accounts had detailed questions of bias in the programs, even suggesting that the teachings and practices could undermine American foreign policy. The Subcommittee called the hearing to question stakeholders on both sides of the issue, and to evaluate the methods and purposes of the programs as the House prepared to reauthorize the Higher Education Act.

Title VI of the Higher Education Act authorizes funding for international education and foreign language studies, including grants

used to establish area studies and foreign language centers. Though the purpose of such programs is to expand American understanding and appreciation of foreign cultures and languages, some critics charge that the programs are fundamentally biased, and contain limited international perspectives, thereby stifling opportunities for open dialogue and learning.

"Title VI programs reflect the priority placed by the federal government on diplomacy, national security, and trade competitiveness. International studies and education have become an increasingly important and relevant topic of conversation and consideration in higher education," said Rep. Gingrey at the hearing.

"However, with mounting global tensions, some programs under the Higher Education Act that support foreign language and area studies centers have recently attracted national attention and concern due to the perception of their teachings and policies," continued Gingrey.

Dr. Stanley Kurtz, a research fellow at Stanford University's Hoover Institution, testified on his scholarly research and experience with Title VI programs, and what he described as abuse of these federally-funded programs.

"For some time now, in my writings on National Review Online, and in *The Weekly Standard*, I have criticized scholars who study the Middle East (and other areas of the world) for abusing Title VI of the Higher Education Act. Title VI-funded programs in Middle Eastern Studies (and other area studies) tend to purvey extreme and one-sided criticisms of American foreign policy," said Kurtz.

"To see this bias at work, consider the most influential theoretical perspective in area studies today. Post-colonial theory was founded by Columbia University professor of comparative literature, Edward Said. The core premise of post-colonial theory is that it is immoral for a scholar to put his knowledge of foreign languages and cultures at the service of American power," continued Kurtz. "Said has condemned the United States, which he calls, 'a stupid bully,' as a nation with a 'history of reducing whole peoples, countries, and even continents to ruin by nothing short of holocaust.' Said has also called for the International Criminal Court to prosecute Bill Clinton, Madeline Albright, and General Wesley Clark as war criminals. According to Said, the genocidal actions of these American leaders make Slobodan Milosevic himself look like 'a rank amateur in viciousness.'"

Title VI programs should not exclusively teach pro-American perspectives, but should include a broad range of ideas to ensure foreign studies are providing students with exposure to multiple outlooks and varied viewpoints, Kurtz noted in his testimony.

"Let me state clearly, however, that I am not arguing that authors like Edward Said ought to be banned from Title VI-funded courses. My concern is that Title VI-funded centers too seldom balance readings from Edward Said and his like-minded colleagues with readings from authors who support American foreign policy," said Kurtz. "[U]nless steps are taken to balance university faculties with members who both support and oppose American foreign policy, the very purpose of free speech and academic freedom will have been defeated."

Members of the Select Education Subcommittee agreed with the assessment that federally-funded international and foreign lan-

guage studies programs are more important than ever, and the panel's chairman, Rep. Pete Hoekstra (R-MI), introduced legislation to revamp the programs to fulfill the charge of providing students with international and foreign language knowledge—a task Hoekstra noted has taken on greater importance at a time when America is more dependent than ever on solid international leadership in issues from security to diplomacy, and from scholarship to business and industry.

On September 17, 2003, the Select Education Subcommittee approved Hoekstra's bill, the International Studies in Higher Education Act (H.R. 3077). The bill was approved by voice vote, with bipartisan support.

"Title VI of the Higher Education Act provides support for a critically important group of programs at colleges and universities which work to advance knowledge of world regions, encourage the study of foreign languages, and train Americans to have the international expertise and understanding to fulfill pressing national security needs," said Hoekstra. "The International Studies in Higher Education Act would update the programs under title VI to reflect our national security needs in the post-9/11 era, as well as the current international climate."

The International Studies in Higher Education Act called for the creation of a new International Education Advisory Board in consultation with homeland security agencies for all Title VI programs to increase accountability by providing advice, counsel, and recommendations to Congress on international education issues for higher education. In a memo to members of the Select Education Subcommittee, Stanley Kurtz—who testified before the Subcommittee in July 2003—explained the importance of this proposal.

"That bill has made important changes that will bring greater balance to the Title VI area studies program and ensure that it contributes to our national security preparedness," said Kurtz. "Congress has significantly increased funding for Title VI since 9/11 in the interest of producing recruits for our defense and intelligence agencies who are well versed in the languages and cultures of regions with strategic importance to the United States. Representation by members of national security agencies such as Defense and NSA will assure that, no matter which party is in power, the minimum interests of these agencies in recruiting knowledgeable students are met."

In addition to the advisory board, the International Studies in Higher Education Act included additional changes to programs funded under Title VI of the Higher Education Act intended to help the programs reach their full potential to enrich student learning and develop trained experts with the skills to protect America's national interests and assist with national and international security.

As mentioned in the Full Committee activities section of this report, the International Studies in Higher Education Act was approved by the House of Representatives on October 21, 2003. The bill was approved by the House on a voice vote, with no recorded opposition. While the bill was not acted upon by the Senate, similar legislation is expected to be included in a comprehensive reauthorization of the Higher Education Act to be introduced by House Republicans early in the 109th Congress.

RENEWING GRADUATE EDUCATION PROGRAMS

The Select Education Subcommittee oversees various programs supporting America's colleges and universities, including federal programs to support graduate level education. In conjunction with ongoing efforts to reauthorize the Higher Education Act as a whole, the Select Education Subcommittee held a hearing and advanced legislation to improve graduate education programs and ensure they continue to play a valuable role in education at all levels.

On September 9, 2003, witnesses before the Select Education Subcommittee testified on the importance of graduate education programs under Title VII of the Higher Education Act. The hearing explored the vital role graduate programs play in fostering innovation and encouraging in-depth study, as well as the role of graduate education in improving education at all levels, from K-12 to postsecondary and beyond.

"With the passage of the Higher Education Act in 1965, Congress made great strides in highlighting the importance of postsecondary education. For the first time, many were afforded the opportunity to pursue their dreams of earning a college degree. Countless numbers of students have taken advantage of these programs, and as a result, our nation has enjoyed the benefits of a more educated society," said Rep. Jon Porter (R-NV), who chaired the hearing. "As we enter the 21st Century, the need for advanced education is becoming increasingly more crucial to successfully maintaining our place in the technologically-advanced economy. Now, more than ever, our citizens are obtaining graduate degrees in order to gain more expertise in their field of study. Currently, nearly 2 million students attend one of over 1,800 graduate school programs in our country. And this number is on the rise."

"Graduate education produces immeasurable benefits for our nation. Not only do these programs enrich our citizenry, but they also nurture discovery and innovation that will someday lead to medical and technological advancements. Graduate programs also train the next generation of researchers, engineers, doctors, lawyers, poets, and professors. These individuals will be vitally important in preparing the United States to meet the challenges of the future," continued Porter.

"Graduate programs in the United States are respected and emulated worldwide. Our graduate institutions attract the best and brightest students domestically and overseas. Our nation's unique system of combining graduate education with research strengthens the American education system and serves as the backbone for our nation's leadership in science and technology," testified Dr. Earl Lewis, graduate school dean at the University of Michigan.

Title VII of the Higher Education Act authorizes three graduate fellowship programs: The Graduate Assistance in Areas of National Need (GAANN) program, the Jacob K. Javits Fellowship program, and the Thurgood Marshall Legal Educational Opportunity program. Collectively, these fellowship programs encourage students to advance their knowledge in scientific and technical fields, the arts and humanities, and legal studies by providing financial assistance as well as support services to those displaying academic excellence in their field of study. Congress appropriates nearly \$45 million annually to assist these students in pursuing their goals.

These fellowships not only encourage advanced study, but play an additional important role of creating a pipeline of highly qualified professionals prepared to train the teachers of tomorrow for K–12 education. Dr. Blandina Cardenas, dean of the College of Education and Human Development at the University of Texas at San Antonio, described this pipeline of highly qualified teachers, and explained the important role of graduate programs in improving education at all levels.

“As Dean of the College of Education and Human Development, I have the responsibility to ensure that we are clearly focused on the needs in our K–12 schools. Superintendents consistently advise us that their most pressing need is for teachers in math, science, bilingual, ESL and dual language education and special education,” said Cardenas. “The need for highly qualified teachers in these specializations is confirmed in state and national data. It is pervasive and growing. It will not get better until there is a significant investment in producing the highly qualified education faculty to train teachers in these fields.

“In the three years that I have been responsible for hiring faculty for our college, I have come to the conclusion that the shortages in specialized teachers for the nation’s schools track directly to the shortage of qualified faculty in these fields. The pipeline for producing highly qualified classroom teachers in math, science, bilingual education and special education will remain grossly inadequate for as long as the pipeline for producing faculty in these fields remains unattended,” continued Cardenas.

Dr. William Allen, director of the Public Policy and Administration program at Michigan State University, echoed Dr. Cardenas’ sentiments regarding the impact graduate education has on the availability of trained, highly qualified K–12 teachers. He spoke specifically of the decline in study of traditional American history and western civilization.

“You should note that, parallel to a decline in university requirements for undergraduates, American higher education has also experienced a significant decline in the preparation of professors and teachers in those areas and specifically pursuing the understanding of free institutions. While it is true that we continue to prepare graduate students of history and related disciplines, such as political science, such training has tended to reflect valuable but far more specialized concentration on advances in historical understanding and current policy alternatives,” said Allen. “A direct consequence of this trend has been an erosion of the training of professors—and therefore K–12 teachers—to preserve broad familiarity with facts, texts, and significant dates affecting our civic existence.”

The federal investment in graduate education provides many benefits to American society, from breakthroughs in research and advanced technology to the faculty needed to prepare highly qualified teachers for K–12 education to fulfill the goal set forth in the No Child Left Behind Act to have a highly qualified teacher in every public school classroom by the 2005–2006 school year, noted Porter. By building upon the success of these programs, and encouraging study in fields of national need, success at all levels of education can be achieved, Porter concluded.

Based in large part on the findings of that hearing, Select Education Subcommittee Chairman Pete Hoekstra (R-MI) introduced

legislation in 2003 that sought to strengthen graduate education programs to ensure students can pursue graduate studies in high-priority subject areas, including math, science, and special education. On September 17, 2003, Hoekstra's bill, the Graduate Opportunities in Higher Education Act (H.R. 3076), was approved by the Subcommittee by voice vote, with bipartisan support.

"As we enter the 21st Century, the need for advanced education is becoming increasingly more critical to successfully maintaining our place in a technologically-advanced economy. Now, more than ever, our citizens are obtaining graduate degrees in order to gain more knowledge and expertise in their field of study," said Hoekstra during Subcommittee consideration of the bill.

"Graduate programs, while important for their role in higher education, also play an essential yet often overlooked role in K-12 education. It is graduate programs that train individuals to become faculty at our institutions of higher education, who in turn, will train the elementary and secondary teachers of tomorrow. The No Child Left Behind Act requires a highly-qualified teacher in every public school classroom by the 2005-2006 school year. In order to accomplish this, we must ensure the faculty in our teacher colleges are prepared to meet this challenge," continued Hoekstra.

The Graduate Opportunities in Higher Education Act recognized the role graduate education plays in education at all levels, and for that reason would have placed a priority on subject areas facing particular shortages. Consistent with H.R. 438, the Teacher Recruitment and Retention Act approved by the House in July of 2003, H.R. 3076 would have placed an emphasis on subject areas facing the greatest shortages, including math, science, and special education. In addition, the legislation would have included a priority for the study of advanced linguistics to ensure teachers can be prepared to meet the needs of students with limited English proficiency (LEP).

The bill received widespread support throughout the education community, particularly for the emphasis it placed on creating a pipeline of highly qualified teachers for education at all levels.

"The National Center for Learning Disabilities (NCLD) is pleased to support H.R. 3076, The Graduate Opportunities in Higher Education Act," said James Wendorf of the National Center for Learning Disabilities in a letter to Subcommittee Chairman Hoekstra. "We thank you for introducing language that continues to support the critical investment in providing information and technical assistance to disability support service personnel and faculty in supporting students with disabilities in our nation's colleges and universities through the Demonstration Projects to Ensure Students With Disabilities Receive a Quality Higher Education. This support will work to achieve better outcomes for students with disabilities by embracing our newest knowledge on how to best prepare to serve them in the higher education setting."

"We believe the key to fully implementing the No Child Left Behind Act and the Individuals with Disabilities Education Act (IDEA) is the provision of a highly qualified teacher for every child—including highly qualified special education teachers. Until we address the critical shortage of special education faculty, we will not be able to address the critical shortage of special education teachers," said a letter from the Council on Exceptional Children.

“HR 3076 provides hope that we can turn this situation around. We strongly support the bill’s requirement that the production of special education faculty become a priority for the Graduate Assistance in Areas of National Need (GAANN) program and will work with you to do all that we can to ensure its enactment into law.”

As mentioned in the Full Committee activities section of this report, the Graduate Opportunities in Higher Education Act was approved by the House of Representatives on October 21, 2003. The bill was approved by the House on a voice vote, with no recorded opposition. While the bill was not acted upon by the Senate, similar legislation is expected to be included in a comprehensive reauthorization of the Higher Education Act to be introduced by Committee members early in the 109th Congress.

SUPPORTING MINORITY SERVING INSTITUTIONS

Select Education Subcommittee Chairman Pete Hoekstra (R-MI) has been a longtime leader in addressing the needs of America’s minority serving institutions—including Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs)—as these institutions are a fundamental component of America’s higher education system.

For years, a GOP Task Force led by Hoekstra and other Republicans has been working with HBCU presidents and organizations to forge a bold “action agenda” to help provide the resources they need to educate their students. And to recognize the unique contributions of Hispanic Serving Institutions, Hoekstra held a field hearing in Edinburg, Texas on October 6, 2003 to hear from representatives of a number of HSIs. Hoekstra’s leadership also helped shape reforms to strengthen minority serving institutions as part of reauthorization of the Higher Education Act. Those reforms are discussed in-depth in this report along with the activities of the Subcommittee on 21st Century Competitiveness.

At the field hearing, which was attended by Hoekstra and the Subcommittee’s Ranking Minority Member Rep. Rubén Hinojosa (D-TX) and held at the University of Texas-Pan American, witnesses testified on the critical role Hispanic Serving Institutions play, particularly in their capacity to serve underrepresented populations.

“Hispanic Serving Institutions are vital components of the higher education equation. There are currently more than 200 HSIs in United States, and the number of HSI institutions grows each year. While comprising only 5 percent of all institutions of postsecondary education, HSIs enroll 49 percent of Hispanic-American students,” said Hoekstra.

“Not only do HSIs improve access to higher education for Hispanic Americans, but they also are committed to providing academic excellence to low-income and disadvantaged students. HSIs enroll and graduate thousands of impressive students each year, and enrollments at these institutions are climbing. According to the U.S. Department of Education, the enrollment of Hispanic American students in college is growing twice as quickly as college enrollments in general,” continued Hoekstra.

Witnesses from several Hispanic Serving Institutions in the region appeared before the Subcommittee to discuss the challenges

and successes of these institutions as they expand higher education opportunities, particularly for Hispanic and low-income students.

The Higher Education Act, the primary law governing federal higher education programs, provides support to HSIs through numerous channels, including funding targeted specifically to these types of institutions. Support for these institutions has grown tremendously in recent years. As of FY 2005, the Republican-led Congress has increased funding for HSIs by more than 780 percent in just ten years—from \$10.8 million in 1995 to \$95 million in 2005.

Historically Black Colleges and Universities and Historically Black Graduate Institutions have received similarly strong support under Republican leadership. Since Republicans took control of the House in 1995, funding for HBCUs has increased by nearly 120 percent, and funding for Historically Black Professional and Graduate Institutions has increased by 196 percent. For FY 2005, HBCUs received \$239 million and the Historically Black Graduate Institutions program received \$58 million.

PROTECTING MISSING, EXPLOITED, AND RUNAWAY YOUTH

To protect some of America's most vulnerable children, the Select Education Subcommittee in the 108th Congress held a hearing and later approved legislation to assist at-risk children, including missing, abducted, and sexually exploited children, as well as runaway and homeless youth and their families.

On April 29, 2003, the Subcommittee heard testimony about the services provided to at-risk youth under the Missing Children's Assistance Act and the Runaway and Homeless Youth Act.

"Our desire is to strengthen these programs in order to address the needs of these at-risk children. We must continue to support the National Center for Missing and Exploited Children and its efforts to locate and recover missing children and help prevent child abductions and sexual exploitation. Additionally, we wish to ensure the protection of runaway and homeless youth by keeping them off the streets, away from criminal activities and out of desperate circumstances," said Subcommittee Chairman Pete Hoekstra (R-MI), who chaired the hearing.

The Missing Children's Assistance Act coordinates with and supports law enforcement officials and families with locating and recovering missing and exploited children, including running a national 24-hour hotline and offering training and technical assistance. Programs authorized by the Runaway and Homeless Youth Act operate community-based programs that provide basic needs to runaway and homeless youth and their families, including shelter, food, clothing, health care and counseling. Both Acts also fund preventative and educational programs, leading efforts to reduce the numbers of at-risk children nationwide.

To reauthorize these programs and improve services for at-risk youth, Rep. Phil Gingrey (R-GA) introduced the Runaway, Homeless, and Missing Children Protection Act (H.R. 1925). That bill, approved by the Select Education Subcommittee on May 7, 2003 and later signed by President Bush, helps locate and recover missing and exploited children, and support community-based programs that provide basic needs to runaway and homeless youth and families, including shelter, food, clothing, healthcare, and counseling. Gingrey's legislation also authorizes funds for preventative and

educational programs, leading efforts to reduce the numbers of at-risk children nationwide.

The first substantive legislation by a freshman member of Congress to be signed into law in 2003, the Runaway, Homeless, and Missing Children Protection Act also authorizes funding for the Presidential initiative that created maternity group homes, which are transitional living programs for young mothers and their children. The homes, included in the Transitional Living Program, provide pregnant youth and young mothers aged 16–21 with food and shelter, as well as an extensive array of parenting programs. Mothers participating in these group homes learn about child development, family budgeting, health and nutrition, and parenting skills, in order to prepare them to be self-sufficient and economically independent mothers.

MONITORING FINANCIAL MANAGEMENT AT THE U.S. DEPARTMENT OF EDUCATION

During the final three years of the Clinton administration, the Education Department failed three consecutive audits, and an estimated \$450 million was lost to waste, fraud, and mismanagement.

Republican members of Congress pushed forcefully for accountability at the Department during the 107th Congress, and Education Secretary Rod Paige acted swiftly and decisively to develop guidelines to combat the waste, fraud, and abuse that occurred under previous management. In the 108th Congress, Rep. Pete Hoekstra's (R-MI) Select Education Subcommittee continued to monitor improvements in financial management at the Department of Education. The Select Education Subcommittee's oversight efforts worked in tandem with Secretary Paige to ensure accountability in the use of federal education funds wherever they are used.

On March 12, 2003, the Select Education Subcommittee heard testimony on the financial management practices at the Department of Education, and specifically on those practices that helped lead the Department to three consecutive clean financial audits under the leadership of Secretary Paige and President Bush.

"I appreciate the leadership that Secretary Paige and Deputy Secretary Hansen have shown in changing the culture at the Department of Education and working to eliminate the waste, fraud, and abuse that have stolen resources away from this nation's children," said Hoekstra at the hearing. "This Administration has demonstrated its commitment to improving our children's education without squandering precious resources through bureaucratic mismanagement."

U.S. Department of Education Deputy Secretary William Hansen testified on the methods used to combat the waste, fraud, and abuse that plagued the Department's financial management system. The goals set forth by the Administration to inject accountability into financial management practices included: installing new leadership in areas of fiscal management; assembling a task force of Department leaders to identify and address issues of immediate concern as well as lay out a blueprint to address long-term and structural areas in need of improvement; and soliciting the counsel and advice of external advisors, testified Hansen.

"The number one priority for the Department of Education is educating children and closing the achievement gap so no child is left behind," said Hansen. "I believe you will find that our efforts over the last two years demonstrate our commitment to making the Department of Education a model agency of program and management excellence."

The U.S. Department of Education has made significant progress in improving financial oversight practices, eliminating waste and helping to ensure that federal education funds are appropriately used to provide a high quality education to the nation's children. While achieving clean financial audits are critical steps in curbing financial mismanagement, areas vulnerable to waste remain, Hoekstra and others noted. The hearing served as a reminder that the Department of Education must maintain the high standards of fiscal accountability in order to maintain and improve upon the progress made in financial oversight.

II. HEARINGS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

March 12, 2003—Hearing on "Recent Improvements of Financial Management Practices at the U.S. Department of Education" (108–8)

April 1, 2003—Hearing on "Performance, Accountability, and Reforms at the Corporation for National and Community Service" (108–11)

April 29, 2003—Hearing on "Missing, Exploited and Runaway Youth: Strengthening the System" (108–12)

June 19, 2003—Hearing on "International Programs in Higher Education and Questions of Bias" (108–21)

September 9, 2003—Hearing on "Beyond Baccalaureate: Graduate Programs in the Higher Education Act" (108–30)

October 6, 2003—Field Hearing on "Expanding Opportunities in Higher Education: Honoring the Contributions of America's Hispanic Serving Institutions," in Edinburg, Texas (108–35)

IV. MARKUPS HELD BY THE SUBCOMMITTEE

108th Congress, First Session

May 7, 2003—H.R. 1925, Runaway, Homeless, and Missing Children Protection Act was ordered favorably reported, as amended, to the Full Committee by voice vote.

September 17, 2003—H.R. 3076, Graduate Opportunities in Higher Education Act of 2003 was ordered reported, as amended, to the Full Committee by voice vote. H.R. 3077, International Studies in Higher Education Act of 2003 was ordered favorably reported, as amended, to the Full Committee by voice vote.

V. SUBCOMMITTEE STATISTICS

Total Number of Bills and Resolutions Referred to Subcommittee	43
Total Number of Hearings	6
Field	1
Joint With Other Committees	0

Total Number of Subcommittee Markup Sessions	2
Total Number of Bills Reported From Subcommittee	3

